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UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN NEWS ON TOBACCO

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WORLD TOBACCO PRODUCTION AND MARKET PROSPECTS

Foreign tobacco production, so far as it is reported, amounts to 774,695,000 pounds, which is an increase of about 15,000,000 pounds over production in those countries last year. These countries with the United States produced about 65 per cent of the world's crop exclusive of India and China in 1924 and 1925. Definite information is still lacking for two important foreign tobacco exporting countries, Brazil and Java, as well as several others of less importance in international trade. For Brazil preliminary reports from the State of Bahia, which is the most important producing and exporting state, indicate a reduction in production which will probably be great enough to offset the increase in foreign production noted above. No indication of the size of the Java crop is available. Quality is reported not to be good. In Russia, the acreage of North Caucasus, a region which in 1924 produced a little over 40 per cent of the higher grades of Russian leaf, as distinguished from the cheaper "Machorka", increased in 1927 by some 40 per cent over 1926, and the plan for state and cooperative tobacco collections was also increased by 50 per cent, according to the Russian official paper, "Economic Life", of October 28, 1927.

Total production of tobacco of all classes and varieties in the United States is placed at 1,237,842,000 pounds, according to the December estimate, a reduction of some 60,000,000 pounds or 4.6 per cent from last year's crop. The increase in the bright flue-cured districts of the eastern seaboard is more than offset by heavy reductions in the air-cured and fire-cured districts of the Mississippi Valley and Virginia, and less important reductions in some of the cigar districts.

The German cigarette and pipe tobacco markets were active during November and the first part of December, according to a report from Acting Agricultural Commissioner L. V. Steere at Berlin. The cigar leaf market was greatly slowed up, however, during November by the lockout of cigar workers which lasted from November 12 to December 1. The Bulgarian, Greek and Turkish tobacco markets were all brisk during November.

Production of foreign tobacco

Cigarette and pipe tobacco

Of the foreign cigarette types, a decrease of some 20 million pounds in the production of the Near Eastern countries, Turkey, Greece, Bulgaria, Rumania and Yugoslavia, which produce the so-called Turkish type of cigarette tobacco, is nearly offset by an increase of 17½ million pounds in

Dominican cigarette tobacco. The production of other European countries for which reports are available, Czechoslovakia, Germany, Italy, Poland and Belgium, assumed to be largely dark type tobacco, is 167 million pounds compared with 162 million produced last year, but the production of Italy, which specializes in growing of dark tobaccos said to be similar to our dark types, was about 10 million pounds less this year than last, according to an unofficial estimate. Canada, another important producer of dark tobacco and burley, increased its production from 29 to 44 million pounds.

Indications point to a 1927 tobacco crop in Algeria as small as or smaller than 1926, although no figures of production or acreage are available. In the Department of Algiers, which in 1925 comprised approximately 38 per cent of the total Algerian tobacco area, drought has hindered the development of the plants in many fields, according to a recent report from Consul General Lewis W. Haskell at Algiers. In the district around Bona, which in 1925 comprised 40 per cent of the Algerian tobacco acreage, the harvest is considered to be satisfactory on the whole as to quality, in spite of some damage caused by the sirocco winds, states the consul. Tobacco grown in this district is prized on account of its light yellow color. The great bulk of Algerian production is smoking tobacco, the area planted to snuff, the other type grown in the country, constituting only 3 per cent of the total area in 1925, the latest year for which detailed figures are available. Algerian tobacco production in 1926 is estimated by the International Institute of Agriculture in Rome at 27,183,000 pounds from an area of 61,800 acres, a considerable reduction from the record year 1925, when 80,673 acres were planted, yielding a bumper crop of 65,655,000 pounds.

Cigar filler and wrapper tobacco

Early indications of acreage and growing conditions point to a decrease in the production of cigar filler tobacco in Latin American countries. The 1927-28 Cuban crop was transplanted in the middle of November, according to a report from Consul General L. J. Keena at Havana. In the Remedios section heavy rains have had the effect of over-developing or over-ripening the seedlings and of delaying the preparation of the ground. The Partido section also had too much rain, especially where the land is low and difficult to drain. These rains, it is said, however, reached westward not far beyond Rincon. Vuelta Abajo, it is reported, therefore, did not get sufficient rain, with exception of the comparatively small part lying beyond San Juan y Martinez, where an excess again was recorded. The seedlings in most of the Vuelta Abajo section are said to be somewhat stunted and about half the transplanting is reported finished. The irrigation carried on there will partly offset the insufficient rainfall. In Porto Rico, the continued heavy rain has further retarded tobacco planting, according to Assistant Trade Commissioner J. E. McKey at San Juan. An important decrease in acreage as compared with last year is expected. The 1927-28 tobacco crop of Bahia, the largest tobacco producing state of Brazil, has been seriously damaged by drought, and is estimated at from 31 million pounds to 38½ million pounds, according to a report from Consul Howard Donovan at Bahia.

No information is as yet available concerning the size of the cigar wrapper crop of Java which is harvested in the fall. The quality is said to be unsatisfactory, especially with respect to color. In Sumatra the crop is expected to be about the same as last year in quantity, but the quality is reported as much superior. No information is available concerning the Philippine crop, which is planted in the fall. Both cigar filler and cigarette tobacco are produced, and apparently successful experiments in growing wrapper tobacco on a commercial scale are being conducted. Tobacco production in the Philippines in 1926-27 is officially estimated at 100,199,000 pounds.

Conditions in European tobacco markets

Germany

The principal development in the German tobacco market during November was the lockout of all cigar workers from the 12th of the month to December 1, according to a report from Acting Agricultural Commissioner L. V. Steere at Berlin. This had the effect of greatly slowing up market transactions in cigar leaf tobacco, but prices of such types nevertheless continued firm. The cigarette and pipe tobacco branches of the industry continued to show a healthy interest in leaf tobacco, although the high prices prevailing, especially for cigarette types, tended to restrict purchases principally to medium and lower qualities. An especially good demand was reported for Domingo tobacco. Prices of poorer quality Brazilian leaf were lower but medium and good qualities continued firm.

Offers of German domestic leaf increased with demand centering mainly on pipe tobacco types. Autumn weather conditions were very favorable for drying of the new German crop. Business in domestic and foreign leaf in the beginning of December was brisk and prices firm.

The figures on German consumption of cigars, cigarettes and pipe tobacco in the third quarter of 1927 (based on taxation statistics), which have been published during November, indicate that the quantity consumed during the three months was larger than any corresponding period since the war. Pipe tobacco and cigarette consumption probably were higher than in any post-war quarter. The figure for cigarettes seems particularly significant, consumption being apparently definitely on the up-grade, following uncertain development during 1926. The better economic conditions seem to be the main cause of greater cigarette sales. Consumption of pipe tobacco, however, exceeded 22,000,000 pounds for the first time since the war. Cigar consumption is also increasing steadily.

German Consumption of Cigars, Cigarettes and Pipe Tobacco
1924-1927

Period	Cigars	Cigarettes	Pipe tobacco
	Thousands	Thousands	Pounds
1924 - 3 Quarter	1,228,084	6,366,696	12,501,076
1925 - 3 "	1,578,870	12,592,864	13,752,297
1926 - 1 "	1,099,749	6,056,294	18,119,391
2 "	1,319,392	7,374,056	20,341,253
3 "	1,491,453	7,695,781	21,796,569
4 "	1,771,404	7,211,868	21,576,358
1927 - 1 "	1,397,402	6,874,357	20,159,153
2 "	1,577,234	8,119,473	21,513,386
3 "	1,634,740	8,247,071	22,354,454

(Based on Taxation Statistics).

German imports of leaf tobacco were lower during October, amounting to 16,643,848 pounds compared with 19,618,735 in September, and 14,264,644 in October last year. Figures on tobacco imports and sales at the ports of Bremen and Hamburg during October indicate that stocks of Brazil tobacco and Oriental types increased somewhat, but that Domingo tobacco was sold almost as rapidly as received, in spite of seasonally large arrivals.

Partial figures on employment in the German tobacco industry indicate that occupation remained generally satisfactory during October, but November data will show a vastly different situation when figures become available, especially in the cigar branch. The lockout in progress since November 12, affecting about 90,000 cigar workers, continued up to December 1, when it was ended and a wage increase promised in March.

Bulgaria

The activity reported on the Bulgarian tobacco market during October continued in November, with prices generally firm and in some cases higher. The number of monopoly and private buyers in the field increased and purchases were large. It is anticipated that further large sales will be made in the future. There are indications that some purchasers are finding difficulty in securing their particular needs. The price level is reported as fully 50 per cent above last year at this time.

Sales of the 1926 crop tobacco were especially large during November, and it is reported that a comparatively large share of the 1927 crop also left producers' hands. Trade estimates are now placing the crop at 31 to 33 million pounds. The last estimate of the International Institute of Agriculture was 34,811,000 pounds.

Greece

Middle of November reports from Greek tobacco markets indicate the presence of many foreign buyers, great activity and a large volume of sales in recent weeks. Tobacco from earlier crops constituted the bulk of the sales, but transactions in new crop assumed some volume. Several of the export markets report low stocks because of inability to move tobacco rapidly enough from the producing regions.

The quality of this year's leaf tobacco from the "Islands" is said to be much better than last year. An increase of 4 or 5 million pounds in Greek production from the current estimate of 114 million pounds due to favorable weather conditions was reported by Consul Edwin A. Plitt at Athens on October 31, 1927.

Turkey

Reports from the Turkish market also indicate brisk business in November. Opinions as to the size of this year's tobacco crop still vary, but the concensus of ideas seems to be around 95 million pounds of which 25,000,000 are in the Smyrna district. About 55 million pounds of this year's total Turkish crop, it is said, will become available for export. Stocks of tobacco from earlier crops are reported relatively small. The crop is expected to be of unusually good quality.

Great Britain

The imports of leaf tobacco into Great Britain during the first eleven months of 1927 totaled 193 million pounds as compared with 179 million during the same period in 1926 and 136 million in 1925. Although imports from the United States increased in volume, the proportion supplied by this country was smaller than in either 1925 or 1926. Imports from British Empire sources continued to increase. This was especially noteworthy in the case of Nyasaland, which supplied 13 million pounds of leaf tobacco to the British market in 1927 as compared with 9 million pounds in 1926 and 7 million in 1925. The increase in takings from Nyasaland is of particular significance since the tobacco from that source is directly competitive with the American bright flue-cured tobacco. The imports from foreign countries other than the United States have shown a marked falling off in recent years. See tables on page 6.

United States tobacco exports

Exports of leaf tobacco from the United States during the first eleven months of 1927 amounted to 458 million pounds as against 428 million during the same period in 1926. Every important export type registered an increase. Among the outstanding features of the trade have been the increase in shipments of bright flue-cured tobacco to the United Kingdom, the opening up of the Spanish market for dark-fired Kentucky and Tennessee, and the trebling of the shipments of burley. The exports of cigarettes decreased from 8,764 million in the first eleven months of 1926 to 6,727 million in 1927. This reduction is due to the smaller takings of China. See table on page 7.

TOBACCO: Imports of unmanufactured leaf into the United Kingdom, January to November, 1925, 1926 and 1927

Imported from	January to November			Per cent of total		
	1925	1926	1927	1925	1926	1927
	1,000 lbs	1,000 lbs	1,000 lbs	Per cent	Per cent	Per cent
United States ..	135,744	145,213	152,484	84.4	81.1	79.0
Nyasaland	7,078	8,692	12,870	4.4	4.9	6.7
British India ..	7,260	11,371	7,928	4.5	6.3	4.1
Other British ..	3,740	8,052	16,090	2.3	4.5	8.3
Total British	18,078	28,115	36,888	11.2	15.7	19.1
Other countries	6,847	5,769	3,725	4.3	3.2	1.9
Total	160,669	179,097	193,097			
Reexports	11,566	10,222	9,413			
Net exports ..	149,103	168,875	183,684			

Source: "Trade and Navigation of the United Kingdom."

TOBACCO: United States exports by types to the United Kingdom, January to November, 1926 and 1927

Class	1926	1927	Per cent 1927 is of 1926
	Pounds	Pounds	Per cent
Bright flue-cured	116,583,496	143,058,072	122.7
Burley	305,942	424,251	138.6
Dark-fired Kentucky and Tennessee	14,914,710	9,039,012	60.6
Dark Virginia	3,366,218	1,153,014	34.3
Maryland and Ohio export	39,268	26,299	67.0
Green River (Pryor)	3,584,896	4,615,342	12.9
One sucker leaf	-	17,741	-
Cigar leaf	33,872	2,548	7.5
Other leaf	353,241	282,653	80.0
Total leaf	139,181,643	158,618,932	114.0
Stems, trimmings and scrap	15,338	0	-

Compiled from official records of the Department of Commerce.

LEAF TOBACCO AND TOBACCO PRODUCTS: Exports by types and principal countries of destination, January-November, 1926-27

Type of tobacco and country of destination	Amount		Value	
	1926	1927	1926	1927
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Bright flue-cured, total	255,884	264,999	92,460	95,378
United Kingdom	116,583	143,058	56,620	64,941
China, Hongkong and Kwantung	73,421	41,800	17,571	8,105
Australia	18,243	14,618	6,934	5,743
Germany	8,891	10,440	1,480	1,708
Canada	11,477	11,538	2,840	3,033
Burley, total	5,995	17,560	1,300	2,343
Dark-fired Kentucky and Tennessee, total	106,985	106,949	16,914	13,845
France	32,781	20,769	2,492	1,500
United Kingdom	14,915	9,039	3,152	1,844
Spain	18	19,423	2	1,032
Belgium	10,414	13,343	995	1,008
Netherlands	12,829	7,142	2,842	1,671
Germany	8,346	8,802	1,593	1,473
Dark Virginia, total	17,232	22,372	5,886	4,826
Germany	3,502	5,375	1,142	1,661
Australia	2,293	2,333	771	447
France	513	1,630	78	292
Maryland and Ohio export	10,920	17,943	1,712	2,671
Green River and One Sucker	13,277	19,070	2,447	2,746
Other leaf tobacco, except cigar leaf	17,515	9,109	2,695	1,579
Cigar leaf	586	492	410	411
Total leaf	428,394	458,494	123,824	123,799
Stems, trimmings and scrap tobacco	7,050	5,393	209	246
Tobacco products:				
Chewing tobacco, plug and other	3,285	3,380	1,609	1,671
Smoking tobacco and cigar cuttings	934	1,023	567	646
Other tobacco manufactures	524	199	181	96
	Millions	Millions		
Cigarettes	8,764	6,727	16,498	13,022
China, Hongkong and Kwantung	6,326	4,297	11,155	7,505

TOBACCO: Production in specified countries, average 1909-1913, annual 1924-1927 a/

Country	Average 1909-1913	1924	1925	1926	1927	Percent 1927 is of 1926
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds b/	1,000 pounds b/	Per cent
United States	996,087	1,251,343	1,376,628	1,297,889	1,237,832	95.4
6 foreign countries previously reported, estimates, unchanged a/	149,277	222,330	209,193	230,611	228,964	99.3
Dominican Republic, revised	c/ 25,417	d/ 29,000	d/ 45,000	d/ 17,500	d/ 35,000	35.9
Bulgaria, revised	23,435	108,447	89,948	59,942	34,811	58.1
Greece, revised	58,937	75,469	129,245	120,169	114,145	95.0
Turkey, revised	d/ 88,180	d/ 170,000	d/ 104,500	d/ 84,000	f/ 95,000	109.0
Yugoslavia, new	31,920	78,671	26,590	32,682	11,000	33.7
Czechoslovakia, new	9,467	12,720	15,160	14,532	15,653	107.7
France, new	53,598	78,829	69,308	57,733	g/	
Germany, new	64,116	47,452	41,902	31,769	d/ 41,266	129.9
Poland, new	8,725	1,397	1,875	5,128	d/ 8,800	171.6
Greater Lebanon, new	e/ 360	1,587	1,786	1,984	1,653	83.3
Japan, new	93,717	140,567	143,425	132,278	147,986	111.9
Canada, new	h/ 15,066	18,711	29,266	28,824	43,917	152.4
Total, 18 countries, excluding France, reporting in 1927	1,564,754	2,157,594	2,214,513	2,057,308	2,016,027	98.0
Estimated world production, excluding India and China	2,671,000	3,252,000	3,281,000			

a/ See Foreign Crops and Markets, Vol. 15, No. 12, September 19, 1927, page 387.
b/ Estimate of United States Department of Agriculture on December 19, 1927.
c/ Three-year average.
d/ Unofficial estimate.
e/ One year only.
f/ Estimate reported by Agricultural Commissioner L. V. Steere, at Berlin, December 1, 1927.
g/ Incomplete data. Reported by the International Institute of Agriculture in Rome at 28,090,000 pounds.
h/ Two-year average.

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TOBACCO PRODUCTION AND TRADE OF JAPAN

The steady expansion in the Japanese production of tobacco similar to the Old Belt flue cured type is an outstanding feature of the tobacco situation in that country, as reported by Agricultural Commissioner Paul O. Nyhus to the Bureau of Agricultural Economics. The total tobacco production in Japan in 1926 was 143,000,000 pounds, of which about 10,000,000 pounds were of the American variety. In 1927 the production of this type of tobacco amounted to about 14,000,000 pounds and the acreage of this tobacco to be permitted in 1928 by the Government Monopoly is about 13 per cent larger than in 1927. At the present time the domestic production of flue cured tobacco has to be supplemented by imports from the United States. Such imports, according to Japanese trade statistics, amounted to over 7,000,000 pounds in 1926 as compared with the high point of 11,500,000 pounds reached in 1924. Every effort is being made, however, to improve the flue cured leaf grown in Japan. Mr. Nyhus is of the opinion that continued changes may be made in the percentage of American leaf in the cigarettes in order to reduce the import requirements. Policies of making the fullest use of native tobacco and of securing more revenue for the Government Tobacco Monopoly will tend to restrict foreign purchases, states Mr. Nyhus.

The Japanese Government Tobacco Monopoly

The administration of the tobacco industry by the Imperial Tobacco Monopoly has been a dominant influence on the tobacco industry of Japan. The remarkable extent to which consumption has been adjusted to tobacco grown in Japan, the amount of tobacco grown and the relatively small imports of foreign leaf and cigarettes,- are the outstanding results of policies pursued by the Government Monopoly. The primary purpose of the Monopoly has been, of course, to secure as much revenue as possible from the tobacco business and the above results have been more or less incidental to that purpose.

The powers of the Monopoly are very broad. The determination of the acreage and variety of tobacco that a given farmer may plant, the establishment of leaf prices, the grading of the leaf that a farmer delivers, foreign purchases and manufacturing, and finally the setting of retail prices, are all performed by the Monopoly. There is an import duty of 330 per cent on cigarettes that not only restricts imports but protects the retail prices established by the Monopoly. The profits from the Monopoly are an important source of government revenue and have increased steadily year by year to $83,000,000 in 1926.

Tobacco production in Japan

Through extensive trials and experience with various varieties in different localities the Monopoly prescribes certain varieties to each of about thirty

producing districts. Native varieties make up the bulk of production but there is a constantly increasing acreage of flue cured tobacco grown from Virginia seed. The total production in 1926 of 143,000,000 pounds was made up as follows:

Type	Pounds
Native air cured	66,000,000
Native sun cured	65,000,000
Native open fire cured	2,000,000
Flue cured of American seed	10,000,000
Total	143,000,000

The native air cured is a large, rather round shaped leaf of medium reddish brown color. a/ It is thin, non-elastic, dead leaf that does not have much flavor. In general characteristics it is somewhat similar to the lower grades of U. S. Type 32, except that it has a poor burn and undesirable black ash. Together with sun cured leaf it is used for both cutting and cigarette tobacco.

The sun cured is of the same size leaf but of a lighter color than the air cured. This type, with its tissuey body and light yellowish brown color, is not unlike the Flyings and Spods of U. S. Type 31 in its general appearance. Its aroma is foreign to that of American tobacco and is somewhat similar to that of an oak leaf. It is even thinner and of less body than the air cured and is likewise lacking in flavor. It is used with air cured in fine cutting and cigarettes. The small amount of open fire cured tobacco that is grown enters into some brands of pipe tobacco. The fire-cured tobacco of Japen is an entirely different product from the fire-cured tobacco of America. It is a lifeless and dull reddish brown leaf unlike any types of American tobacco. It has a good burn and an aroma distinctly foreign to that of American tobacco.

Careful experiments have been made with American flue cured varieties, on different soils and with various cultural practices, to secure the much desired quality of the American grown leaf. Seed from the United States is distributed to growers every three years by the Monopoly as native seed stock deteriorates after a few years. They have approached closest to the American leaf in respect to body and color but admittedly not as to flavor. The leaf growing expert of the Monopoly, who spent two years studying tobacco in the United States, states that sandy soil areas somewhat similar to Virginia and North Carolina are being used to grow flue cured leaf but that the inferior quality of Japanese leaf is due chiefly to the differences in soil, and to some extent to mild temperatures and excessive rainfall. Temperature and rainfall data at Hiroshima, close to one of the four flue cured districts in the main island, are given on the following page, in comparison with conditions at Henderson, N. C.

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a/ Descriptions of the various Japanese tobacco types are based partly on comments of Mr. F. B. Wilkinson, in charge of Tobacco Standardization of this Bureau, after examining a limited number of samples forwarded by Mr. Nyhus.

Monthly mean temperature and rainfall at Hiroshima, Japan and Henderson, N. C.

Month	Hiroshima, Japan		Henderson, North Carolina	
	Temperature, Fahr.	Rainfall	Temperature, Fahr.	Rainfall
	Degrees	Inches	Degrees	Inches
January	39	2.3	40	3.4
February	40	2.7	40	4.0
March	46	5.0	50	4.1
April	55	6.8	57	4.0
May	63	5.4	68	4.0
June	71	9.5	74	4.4
July	77	6.0	78	5.7
August	80	3.5	77	5.8
September	73	7.1	71	3.3
October	62	4.7	60	3.1
November	52	2.4	49	2.6
December	43	2.5	41	3.8
Annual	58	57.9	59	44.8

Source: Publication of Central Meteorological Observatory of Japan and Reports of United States Weather Bureau.

It seems that the Japanese have done better with growing flue cured from American seed than have the Chinese in the special areas developed by foreign tobacco companies in China. This is probably due to the efforts of the Tobacco Monopoly and also to the receptiveness to improved methods and to the thoroughness of Japanese farmers, qualities which foreigners in the leaf industry in China state are extremely difficult to secure among the Chinese farmers.

The growing of flue-cured varieties dates back to about 1900 when a North Carolina farmer went to Japan upon the invitation of the Japanese Government to teach methods of growing and handling this type. Only recently, however, has production reached significant amounts and this has taken place in response to a continually larger demand for cigarettes made from this kind of tobacco which the Monopoly terms "American yellow" leaf as distinguished from "Japan proper" leaf. This year's acreage and production is double that of 1924. Many statistical records in Japan are incomplete prior to 1924 as a result of records lost in the 1923 earthquake disaster but the data at hand of acreage and production indicates recent changes.

JAPAN: Production of flue cured tobacco from American seed

Year	Acreage	Yield per acre	Production
	Acres	Pounds	Pounds
1924	4,109	1,356	5,571,000
1925	4,940	1,665	8,224,000
1926	6,697	1,462	9,792,000
1927	8,435	1,619	13,657,000
1928	a/		

a/ Acreage to be permitted in 1928 by the Government Monopoly.

It will be noted that the acreage that farmers will be permitted to plant in 1928 continues the upward trend. The relatively high yield per acre in Japan is partly due to setting the plants closer together than in the United States, and to a ranker growth.

Tobacco growing at the prices paid by the Monopoly is relatively profitable, it is stated, and there is no difficulty in securing the planted acreage that the Monopoly desires. In the fall of the year the Director-General publishes the variety and acreage that each district may plant, together with prices to be paid for the various grades. Application is made by individual farmers to the Monopoly, stating the acreage that each wishes to plant. Permits are issued after the applied for acreage has been scaled down to the acreage officially allotted to the district. The permit number must accompany all later deliveries of tobacco grown under the permit.

A grading system is employed whereby all varieties are dove-tailed into a system of seventeen grades. The grades are the unnumbered "superior" grade and numbered grades from one to sixteen. The grading system is in fact a combination of grading for quality and placing of each variety in a price schedule. Thus the best of only air cured tobacco from two districts is graded as "superior" or No. 1, No. 2, or No. 3; grade No. 6 is the highest that sun cured can be graded, and No. 4 is the top grade permitted for the flue cured "American yellow" leaf. Tobaccos having the same grade regardless of variety are paid the same price.

In establishing prices for the different varieties it is stated that an effort is made to make the returns per acre for the average grade of each variety about equal after a consideration of costs. Average yields of the three principal varieties are very similar, about 1,350 pounds per acre. Average prices per pound to growers in 1926 were: Air cured 17 cents, sun cured 13 cents, flue cured 21 cents.

Tobacco consumption in Japan

The place of imports from America can be better understood after an examination of tobacco consumption. At present somewhat more tobacco is used as cigarettes than as smoking, but the latter is decreasing slightly, whereas cigarette consumption is gaining. The raising of prices in 1925 interrupted the gains that cigarettes were making.

JAPAN: Tobacco consumption, 1922-1927

Year ending March 31	Pipe tobacco	Cigarettes
	Pounds	Thousands
1922	57,709,000	22,719,477
1923	55,572,000	24,047,845
1924	54,392,000	27,002,743
1925	52,528,000	28,833,597
1927 a/	52,618,000	26,861,024

a/ 1926 data unavailable.

The native pipe is a long stem type, similar to the Chinese pipe but with even a smaller bowl. Only a pinch of tobacco is used, being good for but a few puffs, and the refilling operation is repeated a number of times. The more convenient and also the more expensive cigarette has largely replaced the native pipe in public smoking in the cities, but the native pipe is still the most common away from the cities and in the homes. The extremely fine cut tobacco used in the native pipe is unfit for the foreign style pipe and there are small imports, accordingly, of foreign smoking tobacco for the foreign pipes. The import duty on smoking tobacco is 355 per cent.

The above statistics of cigarette consumption are commosed of three groups of cigarettes. Of foremost importance are "Japan Proper" cigarettes made exclusively from native sun cured and air cured tobacco; secondly, cigarettes of "American yellow" leaf and varying amounts of imported American flue-cured leaf, and thirdly, imported cigarettes.

JAPAN: Consumption of various groups of cigarettes, 1922-1927

Year ending March 31	"Japan Proper" cigarettes	Flue cured leaf cigarettes	Imported Cigarettes
	Thousands	Thousands	Thousands
1922	19,927,000	2,741,000	51,000
1923	20,842,000	3,160,000	46,000
1924	21,931,000	4,875,000	197,000
1925	22,297,000	6,284,000	253,000
1927 a/	18,042,000	8,371,000	448,000

Source: Imperial Tobacco Monopoly.
a/ 1926 data unavailable.

The native air cured and sun cured tobaccos are admittedly inferior cigarette tobaccos, but in the absence of better tobacco at low prices the Japanese taste has accepted and learned to like the "Japan Proper" cigarettes. During the past five years it will be noted that the sales in this group have remained practically stationery. No liquids or flavoring matter are used in manufacturing these cigarettes and the tobacco, being very dry, burns rapidly. The "Asashi" (meaning sunrise), which sells for 7 cents per twenty with paper mouthpieces attached, makes up half of the sales in this group.

Since the manufacture of low priced cigarettes of "American yellow" leaf, with varying percentages of imported American flue-cured leaf, the sales in this group have more than trebled in five years. The best seller is the "Golden Bat", the cheapest one in the group, which sells for 3.2 cents per package of ten, or slightly less than the Asashi. The tobacco in this group of cigarettes carries various flavoring preparations and, being somewhat damp, burns much more slowly than the "Japan proper" cigarettes. The economy in this respect, as well as the slightly cheaper price is a partial explanation for the growing sales of the Golden Bat that makes up seventy-five per cent of the sales in this group. The Monopoly states that there is a small amount of imported American leaf mixed with lower grades of domestic grown flue cured leaf in the Golden Bat. Some China and India leaf together with some dark native tobacco also enter into the Golden Bat. The tobacco in this cigarette is very dark in color. The other four cigarettes in this group contain substantial amounts of the American leaf, the one containing the most selling at the highest price, seven cents for ten. The entire group is advertised as "mild and sweet."

To meet the growing demand for "American yellow" leaf cigarettes, the Monopoly has extended the acreage of flue cured tobacco grown from American seed and prepared to open up new areas for prospective needs. The purchases of American leaf for blending purposes in this group of cigarettes has varied greatly from year to year, and since stocks are carried for several years, it is difficult to make any conclusions from the data as to the use of American tobacco from year to year. The Monopoly states that each year additional amounts have been used but it appears that the cigarettes in this group do not carry a uniform percentage of American leaf from season to season and year to year and that gradual reductions in the percentage is partly offsetting the needs for American tobacco as judged by the increasing consumption of this group of cigarettes.

The large purchases in 1924 and also in 1925 were made to replenish stocks destroyed by the earthquake and fire of 1923. Two of the five factories making "yellow leaf" cigarettes were located in the devastated district. Plans for heavier than usual purchases during the current year closing March 31, 1928 may not be realized due to shortage of funds with which to purchase foreign leaf.

Purchases of American flue cured leaf by Japan, 1922 - 1927

Year ending March 31	Quantity
	Pounds
1922	717,000
1923	2,492,000
1924	10,707,000
1925	6,936,000
1926	3,398,000
1927	6,406,000

Source: Imperial Tobacco Monopoly.

The third group of cigarettes or imported cigarettes consists chiefly of cigarettes made in China, mostly by a Japanese firm in Manchuria. They are poor cigarettes and retail at about the same price as the Golden Bat. American and English cigarettes are procurable but the consumption is very small as the prices are almost prohibitive. Cigar consumption is relatively small in Japan, totaling approximately 3,000,000 domestic made and 724,000 imported cigars in 1926. There is no cigar leaf grown in Japan so that which is needed is imported from the Philippines. There are practically no American made cigars in the market, most of the imported cigars coming from Manila or Havana.

Trade with the United States in leaf tobacco

Excepting small amounts of cigar leaf from the Philippines and small amounts of cigarette leaf from China, Manila and India, the imports of leaf are mainly flue cured tobacco from America. The imports from each country are shown below:

TOBACCO LEAF: Imports into Japan, calendar years, 1924-26

Country of origin	1924	1925	1926
	Pounds	Pounds	Pounds
United States	11,566,000	4,957,000	7,121,000
China	1,839,000	1,640,000	1,287,000
British India	1,522,000	1,403,000	879,000
Philippine Islands	1,889,000	708,000	555,000
Great Britain	209,000	8,000	421,000
Total	18,724,000	9,920,000	10,284,000

The Monopoly has two representatives stationed in New York City who have charge of buying in the United States. Purchases are made through five American dealers located at Danville in Virginia and at Oxford, Henderson, Wilson and Rocky Mount in North Carolina. At present about equal quantities of new and old belt leaf are used. The actual quantities purchased each year are not entirely determined by prices in the United States and by home requirements, but to a considerable extent by available funds not expended for domestic tobacco. It seems that a budget approved by governmental authorities outside of the Monopoly, allots a maximum sum for tobacco purchases and that the Monopoly is often handicapped by lack of funds with which to buy foreign leaf.

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FOREIGN NEWS ON TOBACCO

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OUTSTANDING DEVELOPMENTS IN THE BRITISH TOBACCO TRADE

One of the principal features of the British tobacco trade in recent years has been the shift in the consumption of tobacco from pipe and cigar types to cigarette types, according to a report received in the Bureau of Agricultural Economics from Mr. E. A. Foley, the Department's Agricultural Commissioner in London. American bright flue-cured tobacco constitutes the bulk of the tobacco used in the British tobacco manufacturing industry. Although British imports of American tobacco are larger now than before the war, the increase in the consumption of American leaf has not kept pace with the total increase in consumption. This has been due to the increasing consumption of Empire grown leaf.

Increased Empire supplies

During 1927 imports of Empire grown leaf amounted to nearly 41,000,000 pounds as compared with 30,000,000 pounds in 1926 and only 19,000,000 pounds in 1925. While takings of Empire grown leaf show a remarkable increase, these imports seem to have affected imports from other foreign countries more than imports from the United States. Not only has the consumption of tobacco in the United Kingdom increased much more rapidly than Empire production, but imports from the United States have also steadily increased. Imports from foreign countries, other than the United States, however, have declined by about 75 per cent compared with the 1909-13 average.

Empire preference

Perhaps the most important factor contributing towards the increasing importance of Empire supplies in the British tobacco trade has been the stimulus given to Empire production by the tariff preference granted tobacco from Empire sources in the British market. Empire preference did not become a factor in the British tobacco trade until September 1, 1919. On that date Parliament passed a law granting Empire supplies a reduction of one-sixth in the full rate of duty. This preference was later increased to one-fourth, at which it now stands. The present full rate of duty on unmanufactured stripped tobacco imported into the United Kingdom is 8s 10½d ($2.16) per pound if it contains 10 per cent or more of moisture and 9s 10d ($2.39) per pound if it contains less than 10 per cent of moisture. The British preferential rate is 6s 9-7/8d ($1.65) on tobacco containing 10 per cent or more of moisture and

7s 6-3/4d ($1.84) on tobacco containing less than 10 per cent of moisture. The respective general and preferential rates on unstripped tobacco are approximately 1 cent per pound less.

Colonial leaf used in manufacture of cheaper products

While no part of the Empire has yet succeeded in producing a tobacco that can be substituted entirely for American leaf in the manufacture of high grade cigarettes, the Empire grown product is being used in increasing quantities in conjunction with American tobaccos in the manufacture of the cheaper brands. These tobaccos, admittedly inferior to the American leaf, are raised mainly in Nyasaland and Rhodesia. While the poorest grade of cigarettes made in Great Britain takes as high as 50 per cent of colonial leaf, there is as yet no indication that the British can be educated to an extensive use of this tobacco, according to Mr. Foley. Even those firms which attempt to popularize Empire tobaccos by an appeal to the patriotic sentiments of the consumer, advertise that their mixture contains a specified percentage of American flue cured to give it the desired flavor.

Because of the preference granted Empire leaf, it is easily seen that the use of Empire tobacco in the cheaper grades of cigarettes and smoking mixtures means a distinct reduction in cost. The steadily increasing population and heavy unemployment in Great Britain have made it necessary for the British Government to encourage emigration to the Colonies. The most effective way of accomplishing this is to assure prospective emigrants of a good market for the product of their labors. It is generally believed, therefore, that the British Government will exert every effort to popularize the use of colonial tobacco and will even increase the present preference if necessary, states Mr. Foley.

Nyasaland

Nyasaland is the most promising region in the British Empire for the production of tobacco. Although tobacco has been grown in that colony for many years, it made but little headway before the establishment of special tariff preference in the British market. This is evidenced by the fact that exports have increased from 4,500,000 pounds in 1921 to 15,000,000 pounds in 1927. The Nyasaland leaf is of varied quality, states Mr. Foley. The bright leaf produced by European settlers is steadily improving in quality as a result of seed and plant selection. The tobacco grown by the natives is largely a dark type. This dark tobacco constitutes the bulk of the Nyasaland crop and its cultivation is increasing rapidly. The extension of the bright types, however, will have to await the advent and training of white settlers, states Mr. Foley.

Rhodesia

The Rhodesian tobacco crop has grown from 811,000 pounds in 1922 to 5,600,000 pounds in 1927. In 1926 over 2,000,000 pounds of flue cured were grown, half of which was shipped to the British market. There has been a steady improvement in all Rhodesian tobaccos cultivated by white men. The bulk of the crop, as in the case of Nyasaland, however, consists of poor quality tobaccos grown by natives. However, with government monopolies throughout Europe striving to give the poorer classes some sort of tobacco to smoke, it has some sale in Europe. The better qualities of flue cured are shipped to the British market where every incentive is being held out to increase its use in combination with American leaf.

Canada

Stimulated by the preference granted Empire tobaccos in the British market, the production of tobacco in Canada has increased from an average of about 9,000,000 pounds before the war to the record crop of 43,917,000 pounds in 1927. Over 50 per cent of the crop consists of burley tobacco and about 15 per cent of bright flue-cured. The consumption of tobacco in Canada during the nine years 1918-19 to 1926-27 averaged 42,666,000 pounds annually, of which 43 per cent consisted of imports supplued largely by the United States. During the five years ended March 31, 1927, an annual average of 21,734,000 pounds of domestic grown leaf was retained for consumption in Canada. The balance of the domestic crop was exported. Prior to the establishment of the British preference Empire grown tobacco in 1919, exports from Canada never exceeded 225,000 pounds. Since that date they have been increasing rapidly, having amounted to 6,331,000 pounds during the year ending March 31, 1927. This figure will probably be exceeded during the present fiscal year.

British imports of tobacco during 1927

Total imports of unmanufactured leaf tobacco into the United Kingdom during 1927 amounted to 222,323,000 pounds, exceeding those of 1926 by 13 per cent and those of the 1909-13 average by 70 per cent. Approximately 80 per cent of the 1927 imports came from the United States, 18 per cent from Empire sources, and 2 per cenr from other foreign countries. The gradual change taking place in the British tobacco trade is evidenced by the fact that during 1909-13 the United States supplied on the average almost 89 per cent of the imports, other foreign countries slightly more than 10 per cent, and the British Empire less than 1½ per cent.

The only important Empire source of supply from which less tobacco was imported in 1927 than in 1926 was British India. That country has heretofore been the most important Empire source of supply, but the tobacco was of low quality and did not compete with American leaf. It is significant that those Empire sources of supply from which considerably more tobacco was imported in 1927 than in 1926, particularly Nyasaland, are making every endeavor by scientific cultivation, seed selection and up-to-date equipment to grow a cigarette type that will compare favorably with the American cigarette types.

TOBACCO: Imports into the United Kingdom from Empire and other sources

Country	Average 1909-13	1922	1923	1924	1925	1926	1927
EMPIRE SOURCES	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
British India	21	3,935	4,575	8,412	7,785	11,854	8,448
Canada	2	855	956	1,787	1,859	4,914	a/
South Africa	28	59	51	197	24	488	a/
Rhodesia	53	360	367	726	1,031	2,305	a/
Nyasaland	1,502	6,735	5,891	6,882	7,070	9,084	13,887
British North Borneo	7	593	894	840	830	895	a/
Other British possessions	85	117	161	453	322	255	18,606
Total Empire	1,698	12,654	12,895	19,297	18,921	29,795	40,941
FOREIGN SOURCES							
United States	116,288	166,822	154,859	156,938	162,719	161,410	177,512
Other foreign countries	13,430	5,381	5,284	6,187	7,341	5,998	3,870
Total foreign	129,718	172,203	160,143	163,125	170,060	167,408	181,382
Grand total	131,416	184,857	173,038	182,423	188,981	197,204	222,323
PERCENTAGES	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Empire	1.3	6.8	8.0	10.6	10.0	15.1	18.4
American	88.5	90.2	89.0	86.0	86.1	81.9	79.9
Other foreign	10.2	3.0	3.0	3.4	3.9	3.0	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Annual Statements of the "Trade of the United Kingdom", 1909 to 1926, and "Trades and Navigation of the United Kingdom" for December 1927.
a/ Separate statistics not available.

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ONTARIO TOBACCO GROWERS REORGANIZE

The unsatisfactory conditions surrounding the marketing of the 1927 Ontario tobacco crop resulted in a decision, taken at a general meeting of growers on January 24 in Windsor, to form a Pool with a five-year contract, according to reports received in the Bureau of Agricultural Economics from Consul H. F. Hawley of Windsor. The meeting was also attended by representatives of the Dominion and Provincial Governments and of the western wheat Pools who, acting in an advisory capacity, were able to assist in the organization of the new tobacco Pool. It was decided at this meeting that the tobacco Pool should become an independent organization, superseding the present growers' cooperative organization - The Canadian Tobacco Growers Cooperative Company - which, admittedly, suffered a financial loss in its operations. An arrangement is to be made, however, for the Cooperative to handle and process the tobacco of the Pool. The understanding is that after this arrangement, which was largely evolved to help the Cooperative to liquidate its affairs, comes in force, the latter would cease marketing the tobacco, this being left entirely to the Pool, and will confine itself to the handling of the Pool's tobacco under its direction during the period agreed upon. It is possible, however, that the Pool may eventually absorb the Cooperative and buy out its assets and would probably anyway have to cover its losses, if any, on liquidation. It was also decided at the Windsor meeting that the Pool should handle the 1927 crop.

Action is being taken to complete the plans for the Pool's formal organization. The Pool will not begin functioning until growers' signatures to contracts covering 75 per cent of 1927 acreage shall be obtained, the figure of 22,000 acres having been accepted as the requisite acreage for this purpose. Until this figure is reached growers will not be bound by their signatures. It is expected that the headquarters of the Pool will be in Windsor. What measures will be taken with regard to the 1927 crop is as yet uncertain. A survey of the whole tobacco situation by a board of three members, appointed by the Dominion government - one from the Department of Agriculture, one grower, and one manufacturer - was also recently announded by the Canadian minister of Agriculture, but no financial assistance is to be extended. The keen interest of the government in the present Ontario tobacco situation is a logical consequence of its propaganda during recent years designed to encourage the growing of tobacco to replace in part the acreage devastated by the corn borer, according to Consul Hawley.

The extent of expansion in Ontario, where the bulk of the Canadian tobacco is produced, will be seen from the following table.

TOBACCO: Area and Production, by types, in Ontario, 1925-1927 a/

Type of tobacco	1925		1926 b/		1927	
	Acreage	Production	Acreage	Production	Acreage	Production
	Acres	Pounds	Acres	Pounds	Acres	Pounds
Burley	7,340	9,432,000	12,217	11,077,000	20,350	22,385,000
Flue-cured	7,331	6,268,000	6,429	4,331,000	7,550	6,229,750
Green River	3,135	4,342,000	4,438	4,161,000	3,615	4,338,000
Dark-fired, incl. snuff types	455	581,000	409	495,000	2,135	2,669,650
Total	18,261	20,623,000	23,493	20,064,000	33,650	35,622,400

Official sources.

a/ For the figures on tobacco average and production in Canada, see Foreign News on Tobacco: "Canadian tobacco area and production in 1927", November 4, 1927. b/ Over 7,500,000 pounds were lost in 1926 due to unfavorable weather conditions, according to the Tobacco Crop Reporting Section of the Dominion Bureau of Statistics. The tobacco area of Ontario constituted during the years 1925-1927 from 2/3 to 3/4 of the total Canadian acreage.

It will be noted that the bulk of the expansion in acreage and production last year was in Burley, which registered an increase of over 11 million pounds compared to 1926. In regard to this advance the Deputy Minister of Agriculture for Canada is quoted as stating that there has been an overproduction of Burley and dark leaf, according to a report of Consul Hawley. It would seem that this factor is largely responsible for the low prices and comparative lack of demand as the domestic and British markets are not prepared for so large an absorption of Burley and air-cured dark types.

British imports of Canadian tobacco increased from 855,000 pounds in 1922 to 4,914,000 in 1926, the last year for which figures are at present available.

Imports of Canadian tobacco into United Kingdom

Year	Quantity	Percentage Canadian imports are of imports from all British countries
Average-	1,000 pounds	Per cent
1909-1913	2	a/
1922	855	6.8
1923	956	7.4
1924	1,787	9.3
1925	1,859	9.8
1926	4,914	16.5

Official sources.

a/ Less than one-half of one per cent.

The attitude of the British consumer is a fundamental factor in the situation. Thus, the Deputy of the Canadian Minister of Agriculture, commenting on the failure of Canadian growers to gain fully the expected benefit of the British preferential tariff, referred in a recent statement quoted by Consul Hawley, to the conservatism of English smokers which makes them hesitate to use Canadian tobacco. "The manufacturers claim that the preference of about fifty cents is absorbed largely in furnishing reduced prices of the manufactured Canadian article to the consumer. If the Canadian article is to be sold the manufacturers have to create the taste for their tobacco by selling it cheaper than the old established articles."

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FOREIGN NEWS ON TOBACCO

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TOBACCO CROP OF PORTO RICO IN 1927-28

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The total 1927-28 production of the sun-grown tobacco crop of Porto Rico, which constitutes the great bulk of the total crop, is forecast at about 24,000,000 pounds, according to a report received in the Foreign Service of the Bureau of Agricultural Economics from Mr. Ignacio L. Torres, Assistant Agricultural Director in the Porto Rican Department of Agriculture and Labor. Of this total, 22,500,000 pounds are of the first regular crop, gathered from an area of 41,645 acres, and 1,500,000 pounds are roughly estimated as the second (sucker) crop. No estimate of sun-grown tobacco is given separately for 1926-27, but the total crop was 46,664,000 pounds, a record production, from 77,000 acres. In addition to the sun-grown, there is also a shade-grown crop. No figures for production of the latter in 1927-28 are given. In 1925-26, the latest year for which separate figures are available, the shade-grown crop amounted to 892,500 pounds, and the area planted to 1,050 acres, while the sun-grown amounted to 22,510,000 pounds and the area to 33,973 acres.

The 1927-28 forecast of the sun-grown crop was made at the beginning of harvest, when only a small per cent of the crop had been cut. There was a great deal of late planting this season, and in fact, planting had not been finished in all districts at the time of the report. Favorable weather in the principal tobacco districts will increase the yield considerably, and adverse weather may make the crop still smaller. Unless there should be an unusually large shade-grown crop this year, the total crop may be expected to be reduced to a figure not greatly exceeding 1921 to 1925 five-year average crop of 23,218,000 pounds, grown from an average acreage of 35,000 acres.

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WORLD TOBACCO PRODUCTION AND MARKETS

Total 1927 production in the United States and 20 foreign countries reporting to date dropped 3.3 per cent below 1926 production, according to reports received by the Foreign Service of the Bureau of Agricultural Economics. These 21 countries accounted for about three-fourths of the world production during the years 1925 and 1926. Complete information on the tobacco crops of Java, Brazil, the Philippine Islands and several minor producing countries are lacking, but reports concerning the 1927 Javan crop are favorable both as to quantity and quality. New estimates for Soviet Russia, Hungary, and Algeria bring the 1927 production in 20 foreign countries reporting to date to 1,208 million pounds compared to 1,232 million pounds in 1926.

Information concerning the 1928 crop is scarce outside of American countries. In the United States the tobacco growers collectively have indicated an intention to increase their acreage by 15.7 per cent. The indications are for increased plantings of practically all types, and for the important types are as follows: flue-cured shows an intended increase of 10.5 per cent; burley 34 per cent, dark-fired types as a group 25.5 per cent; one sucker 51 per cent; cigar types 9 per cent. A considerable reduction is expected in the 1927-28 Porto Rican crop and the crop of Bahia, Brazil, probably also will be smaller than in 1926-27. The Cuban production will apparently exceed that of last year. The prospects for this year's Dominican crop are at present reported to be exceedingly good, both as to quality and quantity of the leaf. A large increase of production is reported for Southern Rhodesia, although apparently a lack of rain has lately somewhat reduced the crop.

Conditions in the German tobacco market during January and February were characterized as stable for imported leaf and normal for German leaf, according to Acting Agricultural Commissioner L. V. Steere at Berlin. There was a good demand during this period quoted in the Belgian market for American tobacco, but transactions in burley were limited. Imports of tobacco into the United Kingdom during the first two months of the year were about 15 per cent smaller than in the same period of 1927. The demand for Canadian leaf in the British market was reported lately to be good owing to its improved quality.

Foreign tobacco production

Cigarette and smoking types

The 1927 production of Russia and Algeria decreased compared with 1926, according to the International Institute of Agriculture at Rome, and the Hungarian crop has increased, according to unofficial reports. See table, page 7. The bulk of Russian production consists of the low grade tobacco called "mackorka", which is of little importance in the international trade, although high grade yellow cigarette tobaccos of the oriental type are also grown. Algerian production is largely of the smoking type.

The 1927 tobacco crop of Kirin Province, North Manchuria, was good, according to a report of the Chinese Eastern Railway. It is expected that over 22,000,000 pounds will be delivered to the railroad for shipment out of the province. The superior grades of Kirin tobacco are shipped to the provinces of Chili and Shantung in China proper, where they are used for cigarettes. The average total crop of tobacco in Kirin, the most important source of Manchuria tobacco, is estimated between 45 and 50 million pounds.

A large increase in expected in this year's production of Southern Rhodesia. The acreage and production have increased from 13,915 acres and 5,660,000 pounds in 1925-26 to 33,214 acres and 17,420,000 pounds in 1926-27, the bulk of the tobacco produced being of the flue-cured, locally known as "Virginia", variety. According to one reliable authority, this season's estimate is placed at 60,000 acres, reports Assistant Trade Commissioner Kilcoin at Johannesburg. The season started out very favorably, and it was thought that the production in 1927-28 should reach 25 million pounds. A late February press report from Rhodesia states that "lack of rain lately has reduced the crop - estimated at 20 million pounds - available for marketing", according to a report of February 24, 1928 from Trade Commissioner James Sommerville, Jr., at London.

The Rhodesian tobacco growers have experienced difficulties in marketing their large last year's crop in Great Britain, where the great bulk of the bright tobacco is exported and where it enjoys a preferential tariff duty. This difficulty seems to be due to the fact that the British consumers have not yet acquired a taste for the Rhodesian cigarette tobacco.

Cigar types

The Cuban crop now being harvested is expected to exceed the crop of the previous year, which was estimated at 48 million pounds, according to a report of March 22, 1928 from Consul General L. J. Keena at Habana. Good crops are reported in the Remedios section (Vuelta Ariba), and the Partidos section (Habana province), the source of wrappers, but the crop of the Vuelta Abajo section will again be very short, on account of a prolonged drought. There are indications that the curing conditions for the Remedios crop will be favorable this season.

Exports of Cuban leaf tobacco, stemmed and unstemmed, fell from 9,844,000 pounds during the first two months of 1927 to 6,805,000 pounds for the same period in 1928, according to a trade report quoted by the Consul. The values were $4,703,000 and $5,198,000 for 1926 and 1927 respectively.

An official forecast of the sun-grown tobacco crop of Porto Rico pointed to a considerable decrease, compared with 1927, when a record crop was harvested. The prospects for the 1928 export tobacco crop of the Dominican Republic are exceedingly good, both as to quantity and quality of the leaf, according to a cabled report of February 23, 1928 from Consul James J. Murphy, Jr, at Santo Domingo. The bulk of this crop goes to Europe, the German cigar industry being a heavy user of this tobacco.

The 1927-28 tobacco crop of Bahia, Brazil, was seriously affected by lack of rain last October and November, but the situation was partially alleviated by the heavy rains early in December, according to a report of January 13, 1928, from Consul Howard Donovan at Bahia. The quantity of tobacco available for export during 1928 from Bahia, Brazil, is estimated at from 30,800,000 pounds to 38,500,000 pounds, a large decrease from any recent year. The exports from Bahia during the past three years have totaled 64,635,000 pounds in 1927, 51,355,000 in 1926, and 78,905,000 pounds in 1925. Germany, Argentina and the Netherlands occupied in 1927, as in 1926, the leading places among countries to which Bahia tobacco was exported and all have shown increased takings during the past year. These three countries together take over 80 per cent of the total exports. Exports to France, on the other hand, show a sharp contrast in this respect, having declined from approximately 3,916,000 pounds in 1926 to less than 19,000 in 1927.

Foreign tobacco markets

Germany

Relatively stable conditions for imported leaf continued on the German tobacco market during most of January and February, and prices remained generally firm, according to a report from Acting Agricultural Commissioner L. V. Steere at Berlin. During most of the period the different branches of the tobacco industry continued the steady but relatively small purchases characteristic of covering mainly for current needs, but at the close of February some cautiousness developed and shipments from ports to the interior slowed up to some extent. It is possible, however, that this is only a temporary matter, as stocks do not appear to have accumulated. Trading was especially good in Brazil and Domingo tobaccos, as well as in Balkan cigarette types, during most of the past two months. During the first part of March the tobacco market was seasonally quiet.

Business in German-grown leaf tobacco is described as about normal since the first of the year. There appears to be a comparatively good demand for domestic smoking tobacco types in spite of the fact that the quality this year is said to be relatively low. German-grown smoking tobacco competes directly with American dark tobacco types. Domestic grown cigar leaf types, however, are not moving so well, even though the quality is reported satisfactory, as imported leaf is giving strong competition at the prices for which domestic cigar leaf is being held. The French monopoly administration at Strassburg is reported to have made recent purchases in southern Germany.

While the tobacco industry during the past year, especially the cigarette branch, has gained a greater degree of stability than existed previously, it appears that this was possible in the case of cigarettes, to some extent through the leniency of the Government in regard to the payment of tobacco taxes.

The relatively stable conditions which appear to have been reached in the German tobacco industry in 1927 have been reflected in continued good occupation in all branches since the beginning of the new year. The basic reason for the continued good employment in the tobacco trade, while partially due to reorganization and other adjustments in the industry itself, is to be seen in the steadily increasing tendency of consumption of the major tobacco products.

Consumption of tobacco products in Germany
(Based on taxation)

Period	Cigars	Cigarettes	Pipe tobacco
	Thousands	Thousands	Pounds
4th quarter 1926	1,491,453	7,695,781	21,796,569
1st quarter 1927	1,771,401	7,211,868	21,576,358
2nd quarter 1927	1,397,402	6,874,357	20,159,153
3rd quarter 1927	1,577,234	8,119,473	21,513,386
4th quarter 1927	1,634,740	8,247,071	22,354,454

German official statistics on imports of leaf tobacco in January show a total of 19,044,437 pounds as compared with 17,711,536 in December and 15,355,039 in January last year. Imports from the United States during January amounted to 1,736,343 pounds as compared with 1,696,440 in December and 1,421,306 in January last year. Statistics for the port of Bremen show considerably increased arrivals of Virginia tobacco during January, i.e. 4,385 barrels as compared with 2,113 in December and 2,560 in January last year. Arrivals of Kentucky tobacco, amounted to 1,184 barrels as compared with 456 in December and 1,580 in January 1927.

Belgium

The Belgian market in February was considered more satisfactory than during the past few months, according to a report of March 14, 1928 from Consul Edward E. Silver at Antwerp. Cigar and cigarette manufacturers bought cheap grades largely, but a small percentage of good quality tobacco was purchased. There was a renewed active demand in American tobaccos, especially the ordinary grades. American tobacco is again slowly becoming popular after a period of stagnation. The advance in quotations, however, restricted transactions to a certain extent during the past month. Arrivals of American tobacco during January were significant due to its favorable prices, but importations during February were lighter. Quotations on burley were considered much too high to attract the attention of buyers and transactions in this type were limited during February.

Only a light demand prevailed during February for Brazilian, Sumatra and Java tobaccos, although Java tobacco enjoyed a fairly regular demand for cutting purposes. Little business was done in Paraguay tobacco due to its high price. The demand for Near Eastern tobaccos was good. Large quantities of Bulgarian tobacco were thrown on this market during February. Considerable quantities of Hungarian tobacco of good quality were consigned to Belgium during February and it is believed that this tobacco will constitute a serious competitor of American tobaccos of similar quality to be used in the cigar industry, inasmuch as quotations are about 20 to 30 per cent below those quoted on American tobaccos of similar quality. The situation is said to be the result of a continuous accumulation of stocks of good quality tobacco in Hungary for the past years which are now being liquidated at comparatively low prices.

United Kingdom

With the exception of western tobaccos, which continued in good demand, business during the month of February was on a moderate scale, according to a report of March 9, 1928 from Consul Herbert Williams at Liverpool. There were no outstanding features. The London floods damaged considerable tobacco stores in the metropolis, causing an unexpected demand for tobacco from the Admiralty. The new crop of Canadian leaf was in demand owing to its improved quality.

Total and net imports of leaf tobacco decreased during the first two months of this year by 6 million pounds. Imports from the United States, which constitute the great bulk of British tobacco imports, decreased both absolutely and relatively, while imports from British colonies correspondingly increased. See table on page 11.

Irish Free State

The Irish Free State is a fairly heavy importer of tobacco and purchases of the American-grown product constitute the largest percentage of the country's requirements, according to a report of January 16, 1928 from Consul Julian F. Harrington at Dublin. American tobacco is widely used,

its principal foreign competitors being Near-Eastern leaf, used for blending purposes, and West Indian fillers and wrappers. Virginia and North Carolina flue cured tobacco are used by cigarette manufacturers, who provide the heaviest demand on this market. Imports of unmanufactured tobacco in 1927 reached a total of 10,184,476 pounds, as compared with 8,083,106 pounds in 1926. Direct consignments to the Irish Free State from the American market amounted to 2,121,061 pounds and 1,479,519 pounds, respectively. It is estimated that more than 75 per cent of the trade in American leaf tobacco is normally conducted through the medium of British houses. The volume of direct importations from the United States, however, is becoming more important each year. All of the tobacco factories in this country manufacture cigarettes, smoking tobacco and snuff. One of them makes cigars in small quantities, but none produce chewing tobacco, for which there is little or no demand here.

United States stocks, January 1

Total stocks of tobacco in the United States January 1 were about 80,000,000 pounds above last year, as reported by the Bureau of the Census. The aggregate stocks of chewing, smoking, snuff and export types were 1,520,000,000 pounds compared with 1,416,000,000 pounds last year. There was a decrease of 32,000,000 pounds in burley stocks and an increase of 128,000,000 in the Bright Yellow District of Virginia. Cigar types show a falling off of 53,000,000 from last year. Stocks of imported tobacco were 29,000,000 above those of last year.

United States exports

Total exports of leaf tobacco for 1927 were 506,000,000 pounds compared with 479,000,000 pounds in 1926. The value of these exports was $3,000,000 above last year. All of the important types show increases. There was a large increase in exports of bright flue-cured to the United Kingdom, while exports to China for this type show a material falling off. There was a decline in shipments of dark-fired Kentucky and Tennessee to France, but a large increase to Spain. Cigarette exports to China decreased in 1927. For January of 1928 total exports show a decrease in both quantity and value from exports for the same month in 1927. This is due mainly to a decline in takings by the United Kingdom. See table on page 10.

TOBACCO: Production in specified countries, average 1909-1913, annual 1924-1927

Country	Average 1909-1913 a/	1924	1925	1926	1927 (Prel.)	Per cent 1927 is of 1926
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Canada	b/ 15,066	18,711	29,266	28,824	43,917	152.4
United States	996,087	1,251,343	1,376,628	1,297,889	1,237,882	95.4
Dominican Republic	c/ 25,417	d/ 29,000	d/ 45,000	d/ 17,500	d/ 35,000	200.0
Porto Rico	e/ 10,828	28,000	23,403	35,000	46,664	133.3
Belgium	20,767	15,031	16,925	13,153	13,492	102.6
Italy	22,964	91,105	92,373	97,789	d/ 88,000	90.0
Germany	64,116	47,452	41,902	31,769	d/ 41,226	129.8
Czechoslovakia	9,467	12,720	15,160	14,532	15,653	107.7
Hungary	111,883	38,045	37,687	57,266	d/ 60,626	105.9
Yugoslavia	31,920	78,671	26,590	31,863	d/ 11,000	34.5
Greece	e/ 58,987	75,469	129,243	124,562	114,145	91.6
Bulgaria	23,435	108,447	88,115	59,942	34,811	58.1
Rumania	f/ 48,174	47,290	36,089	40,307	d/ 40,000	99.2
Poland	8,725	1,397	1,875	5,129	d/ 8,800	171.6
Russia	230,142	202,229	390,014	386,472	348,552	90.2
Algeria	23,097	38,578	65,655	27,183	20,018	73.6
Tunis	266	856	1,212	863	772	89.5
Turkey	d/e/88,180	d/170,000	d/104,500	d/ 84,000	d/ 95,000	113.1
Persia g/	---	h/ 23,000	h/ 23,000	d/ 25,000	d/ 26,500	106.9
Syria and Lebanon	e/i/ 360	6,473	6,239	5,114	2,800	54.8
Japan	93,717	140,567	143,425	132,278	147,986	111.9
Mauritius g/	26	---	---	---	992	---
Sumatra (East Coast)	46,278	d/ 36,617	d/ 37,735	d/ 38,504	d/ 39,683	103.1
Total 21 countries reporting all years shown	1,929,876	2,438,001	2,709,036	2,529,939	2,445,977	96.7
Estimated world total excluding India and China j/	2,671,000	3,401,000	3,579,000	3,415,000		

Official sources except as otherwise noted.

a/ Averages for European countries are estimates for territory within present boundaries. b/ Two-year average. c/ Three-year average. d/ Unofficial estimate. e/ One year only. f/ Four-year average. g/ Not included in the total. h/ Rough unofficial estimate of annual production. i/ Greater Lebanon only. j/ No reliable data are available on production in India and China. The acreage devoted to tobacco in India would indicate a production next to that of the United States in the size of the crop. China is also of considerable importance.

TOBACCO (UNMANUFACTURED): International trade, average 1909-1913, annual 1925-1926

Country	Year ended December 31					
	Average 1909-1913:		1925		1926 (Prel.)	
	Imports	Exports	Imports	Exports	Imports	Exports
Principal exporting countries:	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Algeria	4,776	11,681	6,994	24,625	7,810	32,828
Brazil	620	59,991	3,260	76,830	---	61,504
British India	6,538	28,874	a/ 6,693	a/ 33,600	a/ 5,157	a/33,306
Bulgaria	b/	4,310	---	74,179	---	60,546
Ceylon	---	4,093	2	2,852	3	1,973
Cuba	141	38,035	---	18,072	---	22,788
Dominican Republic	---	22,395	---	49,075	---	21,504
Dutch East Indies	8,074	163,823	6,148	202,646	---	---
Greece	12,024	18,113	---	---	---	---
Hungary	---	---	4,602	4,664	10,433	3,240
Paraguay	---	11,361	---	18,883	---	10,920
Philippine Islands	45	26,018	531	38,420	---	31,611
Russia	1,084	23,283	---:c/	3,419	---:c/	3,131
United States	52,768	381,127	77,690	477,488	67,906	487,077
Principal importing countries:						
Argentina	14,988	41	20,131	279	d/18,525	e/ 123
Australia	13,740	b/	---	---	---	---
Austria	f/49,984	f/23,192	25,682	1,392	29,235	737
Belgium	22,094	33	43,389	111	41,812	49
Canada	17,891	433	14,848	2,516	16,100	5,508
China	15,113	25,487	73,558	27,457	100,678	28,962
Czechoslovakia	---	---	45,551	---	41,497	29
Denmark	8,774	100	10,043	---	12,025	---
Egypt	19,005	---	16,709	b/	16,370	b/
Finland	9,597	---	6,686	---	6,249	---
France	63,914	26	119,014	551	98,522	695
Germany	168,437	116	270,225	578	135,346	672
Irish Free State	---	---	9,309	228	7,896	473
Italy	47,732	3,008	25,609	6,980	12,970	6,997
Japan	1,707	696	9,920	3,655	10,284	1,434
Netherlands	57,218	3,786	67,603	3,230	70,951	3,327
Norway	3,994	---	4,360	---	4,974	---
Poland	---	---	49,041	31	25,466	2,439
Portugal	6,565	279	---	---	---	---
Spain	51,026	---	56,448	---	25,758	---
Sweden	9,772	1	9,022	157	12,830	22
Switzerland	17,949	47	9,854	1	12,795	---
United Kingdom	117,956	4,603	176,598	5,011	186,497	3,853
Total 37 countries	803,526	854,952	1,169,520	1,076,950	978,089	825,748

Division of Statistical and Historical Research. Official sources. Tobacco comprises leaf, stems, and strippings, but not snuff. a/ Sea-trade only. b/ Less than 500 pounds. c/ Source: Statistical Summary, Russia (European and Asiatic) year beginning October 11. d/ Nine months. e/ Six months. f/ Average for Austria-Hungary.

LEAF TOBACCO AND TOBACCO PRODUCTS: Exports, by types and principal countries of destination, January-December, 1926-27

Type of tobacco and country of destination	Amount		Value	
	1926	1927	1926	1927
	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
Bright flue-cured, total	287,335	302,372	102,607	109,204
United Kingdom	125,964	166,655	60,660	75,639
China, Hongkong and Kwantung	83,319	45,865	20,293	8,789
Australia	20,843	17,247	8,070	6,758
Germany	12,385	12,809	2,071	2,092
Canada	13,517	13,037	3,482	3,416
Burley, total	6,729	17,854	1,385	2,394
Dark-fired Kentucky and Tennessee, total	119,847	112,015	18,561	14,771
France	32,823	20,769	2,495	1,500
United Kingdom	15,734	9,149	3,321	1,861
Spain	1,479	19,423	75	1,032
Belgium	14,420	13,956	1,269	1,053
Netherlands	13,611	8,039	2,960	1,908
Germany	10,453	10,027	1,919	1,608
Dark Virginia, total	18,390	24,302	6,149	5,178
Germany	3,571	5,493	1,153	1,696
Australia	2,480	2,336	815	448
France	514	1,631	78	292
Maryland and Ohio export	13,592	20,036	2,108	2,923
Green River and One Sucker	14,076	---	2,576	---
Green River	---	12,829	---	1,932
One sucker leaf	---	6,370	---	809
Black fat water baler, and dark African	---	619	---	118
Cigar leaf	619	531	442	459
Other leaf tobacco	18,185	9,307	2,848	1,617
Total leaf	478,773	506,235	136,676	139,405
Stems, trimmings and scrap tobacco	8,285	5,633	242	263
Tobacco products:				
Chewing tobacco, plug and other	3,651	3,728	1,783	1,856
Smoking tobacco and cigar cuttings	1,036	1,134	635	728
Other tobacco manufactures	529	218	184	106
	Millions	Millions		
Cigarettes	9,539	7,092	17,898	13,837
China, Hongkong and Kwantung	6,697	4,418	12,114	7,738

Compiled from Monthly Summary of Foreign Commerce of the United States, December, 1927.

LEAF TOBACCO AND TOBACCO PRODUCTS: Exports, by types and principal countries of destination, January 1927 and 1928

Type of tobacco and country of destination	Amount		Value	
	1927	1928	1927	1928
	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
Bright flue-cured, total	44,373	30,763	16,236	9,940
United Kingdom	25,470	9,669	11,809	3,978
China, Hongkong and Kwantung	9,895	7,695	1,931	1,378
Australia	2,110	3,172	928	1,237
Germany	1,164	1,301	218	242
Canada	895	1,357	267	390
Burley, total	1,397	1,104	171	210
Dark-fired Kentucky and Tennessee, total	12,752	7,362	1,575	1,027
France	1,878	1,441	134	118
United Kingdom	83	706	15	122
Spain	2,218	---	111	---
Belgium	4,067	947	282	77
Netherlands	48	982	24	209
Germany	778	727	181	70
Dark Virginia, total	2,976	1,242	461	196
Germany	87	104	8	14
Australia	210	17	47	6
France	---	---	---	---
Maryland and Ohio export	3,071	930	509	120
Green River (Pryor) and one sucker:				
Green River	771	291	121	32
One-sucker leaf tobacco	390	274	72	50
Black fat, water baler, and dark African	14	100	2	12
Cigar leaf	144	69	52	106
Other leaf tobacco	516	464	142	140
Leaf tobacco, total	66,403	42,600	19,339	11,833
Stems, trimmings, and scrap tobacco	183	358	5	31
Tobacco products:				
Chewing tobacco, plug and other	318	318	151	153
Smoking tobacco and cigar cuttings	62	66	40	45
Other tobacco manufactures	4	21	3	9
	Millions	Millions		
Cigarettes	761	963	1,445	1,783
China, Hongkong and Kwantung	585	646	1,003	1,082

Compiled from Monthly Summary of Foreign Commerce of the United States.

TOBACCO: Imports of unmanufactured leaf into the United Kingdom, 1925-1927 and January-February, 1927 and 1928

Country from which imported	Year ended December 31			Percent of total			January-February a/		Per cent of total	
	1925	1926	a/ 1927	1925	1926	1927	1927	1928	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	Per cent	Per cent	Per cent	1,000 pounds	1,000 pounds	Per cent	Per cent
United States ...	162,659	161,348	177,512	86.1	81.8	79.8	34,681	28,052	89.6	85.
Nyasaland	7,070	9,084	13,886	3.7	4.6	6.2	184	427	.5	1.3
British India ...	7,785	11,854	8,448	4.1	6.0	3.8	1,237	709	3.2	2.2
Other British ...	4,066	8,857	18,606	2.2	4.5	8.4	1,823	3,280	4.7	9.9
Total British..	18,921	29,795	40,940	10.0	15.1	18.4	3,244	4,416	8.4	13.4
Other countries..	7,341	5,999	3,870	3.9	3.1	1.8	797	500	2.0	1.5
Total imports .	188,921	197,142	222,322	100.0	100.0	100.0	38,722	32,968	100.0	100.0
Total reexports	12,383	11,013	9,727				2,040	2,440		
Net imports ...	176,538	186,129	212,595				36,682	30,528		

Compiled from Annual Statement of the Trade of the United Kingdom and Accounts relating to the Trade and Navigation of the United Kingdom.

a/ Includes stalks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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FOREIGN NEWS ON TOBACCO

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FOREIGN TOBACCO PRODUCTION AND MARKETS

A continuation of the tendency toward larger foreign production of dark types of smoking tobacco which compete with American dark types in European markets is indicated by information received during April and May by the Foreign Service of the Bureau of Agricultural Economics. The official estimate for Hungary whose tobacco competes with our dark tobaccos in European markets, indicatesan increase of over 20 per cent in production during 1927, compared to 1926. An increase is also reported for the 1927 production of Madagascar, exporting to France tobacco somewhat similar to our Maryland and Eastern Ohio type. Revised estimates for Algeria still point to a reduction in the 1927 crop. The early forecasts of a very large increase in the 1927-28 crop of Southern Rhodesia, producing largely flue-cured leaf, do not seem to have to have materialized while a considerable reduction in the Nyasaland crop, largely of pipe tobacco, is expected, according to trade information. In the cigar leaf producing West Indies there are indications of a further reduction in the estimates of the 1928 Porto Rican crop, while the hopes of a record Dominican crop have been definitely given up but estimates point to a larger Cuban crop.

The German market for imported leaf tobacco continued relatively stable during March and April, although trading was somewhat more limited than in the months immediately preceding, according to Acting Agricultural Commissioner Steere at Berlin. Although German imports of leaf tobacco have increased very noticeably in recent months both seasonally and in comparison with previous years, arrivals of fire-cured Kentucky and Virginia tobacco at Bremen are now running seasonally small, unusually so in the case of Kentucky tobacco. A decrease of British takings of American tobacco and an increase of imports from the British colonies, especially from Nyasaland, took place during the first four months of 1928, compared to the same period last year. The Belgian market for American leaf was not active during March and April. A further drop is shown in the Italian takings of American tobaccos, which formerly constituted the bulk of Italian leaf imports. The exports of fire-cured Kentucky and Tennessee to Italy, which was not very long ago our principal foreign market for this tobacco, dwindled in 1927 to a very low figure. United States exports of the principal types of leaf tobacco decreased during the first four months of this year compared with last year, except Bright flue-cured. Tobacco stocks in the United States on April 1 declined compared with the same date last year except for flue-cured tobaccos.

FOREIGN PRODUCTION NOTES

Cigarette and Smoking Tobacco

Canada

Among the recommendations pertaining to tobacco growing in Ontario made by the commission of inquiry, established by the Dominion government, into the state of the Canadian tobacco industry, according to a Canadian newspaper report under the date of May 12, of special interest to American growers are the following: "Burley growers slightly reduce acreage, growers only planting what can be well taken care of, Canadian burley is not in keen demand in Great Britain and the export trade of this type will not be rapidly enlarged . . . All dark tobaccos be fire-cured for the British market . . . Canada can produce the finest quality dark fire-cured and should make every effort gradually to increase production of high class leaf of this kind which meets with distinct favor in Great Britain and may replace this type now imported into Britain from Kentucky. High quality leaf, properly graded and processed and in constant quantities, is the basis of gaining and holding a popular place on the tobacco market of Great Britain. The Canadian domestic market is still the best market for Canadian growers and the improvement of quality, therefore, is equally important". This recommendation comes in the fact of an apparent tendency to increase production of dark tobaccos in other countries and would result, if generally acted upon by the Canadian growers, in an increased competition with our dark types.

The most important tobacco district of Canada is southwestern Ontario. Burley soils form the bulk of the Ontario tobacco land and Burley is the most widely grown crop, according to a report from Vice Consul C.E.Payne, at London, Ontario. The area devoted to Burley increased from 7,340 acres in 1925 to 20,350 acres in 1927, constituting in that year 60 per cent of the total Ontario tobacco acreage. Production of Burley in 1927 was officially estimated at 22,385,000 pounds out of a total Ontario production of 35,622,000 pounds of all types. The principal varieties of White Burley tobacco cultivated are Broadleaf, Standup and Johnson's Resistant, so named because of its ability to resist the root-rot disease. The Broadleaf variety has been recommended for the lighter soils, and Standup for the heavier soils. Johnson's Resistant, while yielding less than the others is the only variety that will make a profitable return on diseased land. The various types of dark tobaccos grown in Ontario and marketed as either air-cured or fire-cured are commonly known as Green River tobacco, according to Vice Consul Payne. The area under the air-cured tobacco, which is designated in official statistics as Green River, decreased from 4,438 acres in 1926 to 3,615 acres in 1927, yielding in the latter year 4,338,000 pounds. The area devoted to the fire-cured tobacco increased from 409 acres in 1926 to 2,135 in 1927, when 2,670,000 pounds of these types were produced. The most popular varieties of dark tobacco grown in Ontario are Yellow Pryor, Greenwood and Little Hill. All three varieties have proven satisfactory. Greenwood is recommended by the government Experimental Station at Harrow, as

being the best type and is considered by many growers to be the leader among the dark varieties. Dark tobacco soils are reported by Vice Consul Payne as being fairly numerous. In addition to Burley and dark types, there is also grown in Canada some flue-cured tobacco, but the area of land suitable for its cultivation is comparatively small. In 1927 the production of flue-cured amounted to 6,230,000 pounds from an area of 7,550 acres.

Hungary

Hungarian tobacco production in 1927 is officially estimated at 69,000,000 pounds from an area of 58,000 acres compared to 1926 production of 57,226,000 pounds from an area of approximately 52,000 acres, an increase of 12 per cent in production and 11 per cent in acreage. The previous unofficial estimate of 1927 production was 60,626,000 pounds. Hungarian production is still considerably below the 1909-1913 average of 111,883,000 pounds. Hungary produces largely pipe tobacco, but also some cigarette and cigar filler tobacco. The significance of the Hungarian tobacco situation from the standpoint of our growers is the competition of the Hungarian leaf with some of our dark tobacco in European markets. The growing popularity of cigarettes has affected unfavorably the market for Hungarian tobacco. Lessened domestic demand coupled with the difficulty of disposing of it in the foreign markets, in which before the war it enjoyed a fairly good demand, seem to have characterized the post-war Hungarian tobacco situation. During the past year, however, the foreign sales of Hungarian tobacco are reported to have reached nearly two-thirds of pre-war, which is considered a very good showing by the Hungarians, states Consul John H. Morgan at Budapest. Exports of Hungarian leaf increased from 3,240,000 pounds in 1926 to 8,757,000 pounds in 1927, a record which was surpassed only once during the last 6 years, when 8,966,000 pounds were exported in 1924. Imports of leaf, largely cigarette tobacco from Bulgaria, Turkey and Greece and also wrappers, decreased from 10,433,000 pounds in 1926 to 7,886,000 pounds in 1927. The amount of American tobacco used by the Hungarian tobacco monopoly is very small and purchases are usually made in European markets rather than directly in the United States.

Algeria

The .927 Algerian production, which is largely of the smoking type, is reported by the International Institution of Agriculture in Rome at 58,534,000 pounds from an area of 72,000 acres, compared to 65,153,000 pounds and 81,000 acres, which are the revised estimates of 1926 production and acreage given by the International Institute. The figures of 1927 acreage and production given in the table on page 7 of the release of April 12, 1928 were incomplete.

Rhodesia and Nyasaland

The prospects for a large increase in the production of the cigarette tobacco crop of Southern Rhodesia have not materialized. The latest reliable estimate of the Rhodesian crop is 15,000,000 pounds, according to a report from American Consul Herbert O. Williams at Liverpool, England. Exports of unmanufactured tobacco in 1927 amounted to 15,764,115 pounds compared to

4,237,833 pounds in 1926, according to a report of Assistant Trade Commissioner W. L. Kilcoin at Johannesburg. Of last year's shipments, 7,439,103 pounds were sent to the Union of South Africa and 8,325,012 pounds to other countries, the United Kingdom probably taking more than 90 per cent of these exports. It is estimated, however, that more than half of these consignments remain unsold, being held in British and Union warehouses. The serious difficulty of marketing their large crop with which the Rhodesian growers are faced this season, and the importance which tobacco production has assumed in the economic life of the country, has forced the Rhodesian government to come to the temporary assistance of the growers by a scheme of credit facilities extended through the cooperative organizations, old or newly formed especially for this purpose. With this arrangement it is hoped to tide growers over the present period at least until the return of a member of the Rhodesian Cabinet who is now in England on a mission of investigating the tobacco marketing situation.

The tobacco crop of Nyasaland is expected to be about 40 per cent less than last year owing to the smaller acreage planted, according to a South African trade report at the end of March. It is stated that the dark tobaccos are meeting with a satisfactory demand, but the position of the flue-cured tobacco is reported to be unsatisfactory owing to the competition of the Rhodesian crop. Dark tobacco constitutes the bulk of the Nyasaland exports. It was recently stated by an official of the Empire Marketing Board that the Nyasaland dark tobacco is used mainly in the manufacture of smoking tobacco, and is similar to our Kentucky type, presumably the fire-cured Kentucky and Tennesse tobaccos. As much as 85 per cent of Nyasaland leaf is suitable for the manufacture of smoking tobacco as against 15 per cent for cigarettes, according to this statement. Exports of unmanufactured tobacco from Nyasaland increased from 4,500,000 pounds in 1921 to 15,000,000 pounds in 1927.

Madagascar

The 1927 tobacco crop of Madagascar is reported by the International Institute of Agriculture at 22,046,000 pounds from an area of 16,000 acres, reaching thus a new record after the two preceding years when 19 to 20 million pounds were produced from an area of 14 to 15 thousand acres. For information on the development of the Madagascar tobacco industry, see "Foreign News on Tobacco", June 20, 1927.

Cigar tobacco

Porto Rico

A reduction is indicated, according to reliable sources, in the tobacco crop of Porto Rico, which was previously forecasted at 24 million pounds, from an area of 42,000 acres, according to a cabled report from Assistant Trade Commissioner J. R. McKey to the Department of Commerce. The 1927 crop was estimated at some 47 million pounds from an area of 77,000 acres. The 1928 tobacco has been practically all harvested and placed in the barns awaiting wet weather for warehousing. Stocks of old leaf still on hand are approximately 1,500,000 pounds.

Cuba

The 1927-28 tobacco crop of Cuba will exceed 61 million pounds, according to estimates submitted by Assistant Trade Commissioner Ronald D. Stevenson at Havana, in a report to the Department of Commerce, under the date of May 12, 1928. The crop is practically all harvested and stored in the barns awaiting damp weather for packing. Last year's crop is estimated by the Cuban Association of Tobacco Warehousemen and Growers at 57,585,000 pounds. There are no official estimates of Cuban tobacco production and the unofficial estimates naturally vary a great deal from each other, due to the difficulty of obtaining accurate information. The Association of Tobacco Warehousemen and Growers has recently undertaken an estimate of Cuban tobacco production for the last ten years. The estimates made by this association appear to be as accurate as any, and undoubtedly more care has been taken in their preparation than in any of the other estimates made, states Mr. Stevenson. The association, however, has not made an estimate of this year's crop. Of the important tobacco regions into which Cuba is usually divided, this year's crop of Vuelta Abajo section which suffers from a prolonged drought, is placed at 22,800,000 or about 100,000 pounds above last year, which was a very poor year for this district. Vuelta Abajo region produces the choice Cuban filler tobaccos, Semi-Vuelta crop used for blending purposes is estimated at 1,900,000 pounds as contrasted with 2,470,000 pounds in 1926-27. The crop of the Partido section which produces largely wrapper tobacco is placed at 4,200,000 pounds compared with 3,660,000 pounds. The Remedios or Vuelta Arriba crop,used largely for blending, is placed at 31,200,000 pounds compared with 25,730,000 pounds. Oriente crop of low grade tobacco is estimated at only 1,200,000 pounds compared with 3,015,000 pounds last year. The quality of Vuelta Abajo tobacco is reported to be somewhat better than last year, when it was too heavy. The crop of Semi-Vuelta district will probably be of inferior quality compared with ordinary years, although in certain sections where it has rained, there will be good tobacco. The quality of the Partido crop is also reported to be somewhat finer than last year, when it was too dark and heavy. The Remedios crop was probably the best ever grown as to quality and size, states Assistant Trade Commissioner Stevenson. The exports of leaf tobacco from Havana, which is the principal shipping port for Cuban tobacco, decreased from 15,848,000 pounds during the period January 1-April 15, 1927 to 11,876,000 pounds during the same period this year, according to a report of the Association of Tobacco Warehousemen and Growers.

Philippine Islands

Reports about the new Cagayan and Ysabela crops in the field indicate that the late and heavy rains caused some damage in certain districts, according to a local trade report. The bulk of the crop of these sections is used in the manufacture of cigars. No estimate of the total Philippine 1927 production is available as yet. The 1926 Philippine crop is estimated at 100,199,000 pounds from an area of 75,000 acres.

EUROPEAN MARKET CONDITIONS

Germany

The market for imported leaf tobacco in Germany has continued relatively stable during March and April, although trading was somewhat more limited than in the months immediately preceding, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Acting Agricultural Commissioner L. V. Steere at Berlin. Hamburg and Bremen report a fairly satisfactory demand for Brazil, Domingo, Carmen and Near Eastern leaf, in spite of the fact that the inscriptions (tobacco auctions) in Holland have recently been drawing the bulk of attention to East Indian leaf. The first shipments of the new Brazil crop have recently reached Germany and are reported to be of satisfactory quality. There are still some unsold stocks of old Brazilian crop at German ports, but this is mostly medium or low grade tobacco, which is not in good demand.

Transactions in domestic grown leaf have been comparatively small during March and April, mainly because most of the 1927 crop, particularly smoking tobacco types, has already been sold. Prices continue firm, especially for smoking varieties, the demand for which is reported very satisfactory. There has been some business continually in domestic cigar leaf, but the situation here has been relatively less favorable, as competition of imported cigar leaf types has held prices of the domestic leaf to relatively lower levels than those prevailing for smoking types. The quality and color of the 1927 German crop is reported generally improved as a result of very favorable weather conditions prevailing during the period of fermentation.

German imports of leaf tobacco have increased very noticeably in recent months, both seasonally and in comparison with previous years. Total imports in March amounted to 20,132,000 pounds and in February to 21,477,000 pounds as compared with corresponding figures of 16,633,000 and 16,797,000 for last year. Arrivals of American dark types tobacco at Bremen are now running seasonally small, unusually so in the case of Kentucky tobacco, the March figures being only 32 hogsheads as compared with 950 last year and February arrivals 710 hogsheads as compared with 1,170 a year ago. Employment in the German tobacco industry continues good. All branches report better employment than a year ago.

United Kingdom

The total and net imports of leaf from all sources for the first 4 months of 1928 decreased compared with the same period last year, by approximately 1,300,000 pounds. The share of the United States in the British leaf imports showed a decline of 2.0 per cent, while the share of the British countries, which enjoy a preferential import duty, registered an increase. The increase in imports from Nyasaland was especially great, practically trebling during this period. The imports from British India, which is inferior leaf not competing seriously with American tobacco, showed a decline. See table, page 11.

Figures of American exports by types for the same period show a decrease of about 7 million pounds in exports of the bright flur-cured tobacco, of which type the United Kingdom is our principal purchaser. Our exports of fire-cured Kentucky and Tennessee tobacco to the United Kingdom showed an increase of over 75 per cent over the first four months of 1927 in the face of the increased British takings of Nyasaland tobacco, the bulk of which is a dark type used for smoking purposes. See table, page 10.

Belgium

The market for American leaf tobacco at Antwerp was dull during March and April, according to reports from Consils A. E. Silver and G. S. Messersmith at Antwerp. Due to the high prices quoted at the origin, manufacturers and dealers preferred to purchase old stocks of American tobacco in warehouse in continental markets, more especially Germany and England. These stocks are reported to be mostly low grade tobacco and can be obtained at a very low price much below that quoted at points of origin in the United States. The majority of transactions concluded during the past month were of minor importance and comprised chiefly flue-cured and air-cured, some of which was Kentucky lugs. Most of these tobaccos were purchased by manufacturers for the purpose of replenishing stocks. Favorable reports concerning the coming crop in the United States tend to influence the dealers and manufacturers to abstain from buying.

Large quantities of American tobacco, more especially Maryland tobacco, arrived at Antwerp during the past month in transit to Switzerland. Stocks of Burley are moderate and a few lots were sold at prices below those quoted in the United States. Importers and dealers expect lower prices on this type in the future, otherwise it will have to be replaced by cheaper grades of Burley or the light colored grades of the dark types.

The remainder of the Hungarian tobacco which was thrown on this market during March has been disposed of, but large lots of Bulgarian tobacco still remain to be sold. The market for Brazilian and Paraguay tobaccos was quiet due to the high prices quoted. Stocks of the latter at Antwerp are large but due to their high prices holders are experiencing difficulty in disposing of them. Java and Sumatra tobaccos continued to enjoy a regular demand and the market was very firm. Near Eastern tobacco continued to find a good outlet in Belgium being used chiefly in the manufacture of cigarettes. Stocks of tobaccos at Antwerp are large and are chiefly composed of cheap grade tobacco.

Italy

The downward trend of Italian imports of unmanufactured tobacco continued in 1927, although at a slower pace, the figures for that year being 12,383,000 pounds compared to 12,970,000 in 1926 and 25,609,000 in 1925. Imports from the United States were 4,748,000 pounds in 1927 compared to 5,086,000 in 1926 and 13,499,000 in 1925, constituting respectively 38, 39 and 53 per cent of the total Italian imports. While no classification of Italian imports of American tobacco by types is available, the figures of American exports show that the fire-cured Kentucky and Tennessee, which until the past year constituted the great bulk of Italian takings of our tobacco, has borne

the brunt of the slump in our exports. While in 1923 this type accounted for 31 million pounds of a total export to Italy of over 34 million pounds, in 1927 less than 400,000 pounds of Kentucky and Tennessee were exported to Italy. Exports of Maryland and Eastern Ohio and Virginia fire-cured, however, increased during the past year, bringing the total American exports to 3,262,000 pounds. Increased domestic production in Italy with specialization in the dark tobaccos similar to our dark types, accounts largely for the unfavorable position of our tobacco in the Italian market, which in the past relied on the United States for its supply of dark tobaccos. Another unfavorable factor bearing on our exports of dark tobaccos to Italy is the changing character of Italian consumption of manufactured tobacco, that is, the great advance in the cigarette consumption and a decline in other forms.

Bulgaria and Turkey

Bulgarian tobacco stocks suffered considerable damage from the earthquake, reports Acting Agricultural Commissioner Steere at Berlin. The better grades of leaf of the 1927 crop are now reported as having been largely bought up by exporters, stocks still in the hands of farmers being mainly of medium and lower quality. The Polish monopoly administration made large purchases in Bulgaria during March. Bulgarian exports of tobacco during the first quarter of 1928 are placed provisionally at 16,032,000 pounds, as compared with 15,895,000 in the first quarter of last year. No forecasts are yet available on the probable tobacco acreage in 1928, planting not taking place before the middle of May.

Reports from Turkey indicate that the tobacco market was quiet and transactions small during March. Unsold tobacco stocks in Turkey are estimated at over 22 million pounds, the bulk of which is of inferior quality. Better grades are reported nearly all sold.

Russia

The Russian tobacco manufacturing industry has been developing steadily, according to a recently published statement of the State Bank of Soviet Russia, reported by Acting Agricultural Commissioner L. V. Steere. The number of workers employed increased from 13,628 during the fiscal year 1923-24 to 18,846 in 1926-27. Manufactured tobacco production decreased from slightly over 1 million pounds in the fiscal year 1923-24 to 660,000 in 1924-25 and steadily increased since then, reaching a figure of 1,400,000 pounds in 1926-27. Cigarette production increased steadily from 12,862,000 in 1923-24 to 39,691,000 in 1926-27. It was stated in the report that the reconstruction process in the Russian tobacco industry has been completed. A somewhat slower rate of development may therefore be expected in the future. Russian exports of leaf tobacco, according to the 1927 Statistical Handbook of U.S.S.R., published by the Central Statistical Bureau, amounted to 3,419,000 pounds during the fiscal year 1924-25, and 3,131,000 during 1925-26, the last years for which figures are available. No imports of leaf tobacco are listed and it is fair to suppose that Russia is on a net export basis. Russian leaf exports, however, during these years were far below the pre-war figures. During the years 1909-13, Russia exported on the average, according to official sources, over 23 million pounds of leaf, principally to Finland, Germany, Egypt and France.

United States exports and stocks

United States exports of leaf tobacco declined during the first four months of 1928 by 19 million pounds compared with the same period of the past year. All important types showed a decrease except the bright flue-cured, which showed an increase of 9 million pounds, notwithstanding decreased British takings. China, our second largest market for this tobacco, increased her takings by approximately 6 million pounds and Australia increased by over 3 million pounds. The decline in the exports of fire-cured Kentucky and Tennessee was due largely to decreased takings of Spain and Belgium, in both of which countries ample stocks of American tobacco are reported. This decrease was partly compensated by increased exports to France, United Kingdom and Netherlands. Burley exports, which reached a record figure in 1927, were during the past four months only about one-third of what they were during the same period last year, when low prices apparently stimulated large foreign purchases. The increase in Chinese takings of cigarettes is another item of interest in our foreign tobacco trade.

Total stocks of leaf tobacco in the United States on April 1 were about 82 million pounds below last year, as reported by the Bureau of Census. The aggregate stocks of chewing, smoking, snuff and export types wwre 1,504,000,000 pounds compared to 1,571,000,000 pounds last year. There was a decrease of 111 million pounds in Burley stocks and 67 million in Kentucky and Tennessee dark. On the other hand the stocks of flue-cured tobacco of Virginia, North and South Carolina and Georgia increased by 122 million pounds. Cigar types show a falling off of 38 million pounds compared with last year. Imported types increased by 22 million pounds.

LEAF TOBACCO AND TOBACCO PRODUCTS: United States exports, by types and principal countries of destination

Type of tobacco and country of destination	January-April Quantity	
	1927	1928
	1,000 pounds	1,000 pounds
Bright flue-cured, total	106,847	116,389
United Kingdom	50,318	43,379
China, Hongkong and Kwantung	27,741	33,777
Australia	5,605	8,981
Germany	2,868	3,553
Canada	2,949	3,792
Burley, total	11,071	3,539
Dark-fired Kentucky and Tennessee, total	45,887	33,108
France	7,112	12,079
United Kingdom	2,546	4,502
Spain	14,250	2,416
Belgium	6,652	2,000
Netherlands	811	1,394
Germany	2,934	2,206
Dark Virginia, total	8,713	5,889
Germany	645	257
Australia	755	429
France	1,411	1,240
Maryland and Ohio export, total	5,337	3,848
Green River (Pryor) and one-sucker:		
Green River	6,108	4,768
One-sucker leaf	1,998	1,065
Black fat, water baler and dark African	93	373
Cigar leaf	306	242
Other leaf tobacco	3,593	1,908
Leaf tobacco, total	189,953	171,129
Stems, trimmings and scrap	1,912	2,398
Tobacco products:		
Chewing tobacco, plug, and other	1,182	1,380
Smoking tobacco and cigar cuttings	356	305
Other tobacco manufactures	36	103
	Millions	Millions
Cigarettes, total	2,589	3,811
China, Hongkong and Kwantung	1,763	2,584

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

TOBACCO: Imports of unmanufactured leaf into the United Kingdom, 1925-1927 and January-April, 1927 and 1928

Country from which imported	Year ended December 31			Per cent of total			January-April a/		Per cent of total	
	1925	1926	1927 a/	1925	1926	1927	1927	1928	1927	1928
	1,000 pounds	1,000 pounds	1,000 pounds	Per cent	Per cent	Per cent	1,000 pounds	1,000 pounds	Per cent	Per cent
United States ..	162,659	161,348	177,512	86.1	81.8	79.8	56,335	55,878	85.9	83.9
Nyasaland	7,070	9,084	13,886	3.7	4.6	6.2	344	951	0.5	1.4
British India ..	7,785	11,854	8,448	4.1	6.0	3.8	1,729	814	2.5	1.2
Other British ..	4,066	8,857	18,606	2.2	4.5	8.4	6,018	8,024	8.9	12.1
Total British	18,921	29,795	40,940	10.0	15.1	18.4	8,091	9,789	11.9	14.7
Other countries	7,341	5,999	3,870	3.9	3.1	1.8	1,486	945	2.2	1.4
Total imports	188,921	197,142	222,322	100.0	100.0	100.0	67,912	66,612	100.0	100.0
Total re-exports.....	12,383	11,013	9,727				4,326	4,326		
Net imports ..	176,538	186,129	212,595				63,586	62,286		
Entered for home consumption .							51,052	56,433		

Compiled from Annual Statement of the Trade of the United Kingdom and Accounts relating to the Trade and Navigation of the United Kingdom.

a/ Includes stalks.

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FOREIGN NEWS ON TOBACCO

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BULGARIAN AND CZECHOSLOVAKIAN TOBACCO ACREAGE IN 1928

The area sown to tobacco in Bulgaria this season is placed at 64,000 acres, according to a cable from the International Institute of Agriculture in Rome to the Foreign Service of the Bureau of Agricultural Economics. That figure is an increase of 1,000 acres over the 1927 area. In that year, a crop of 34,820,000 pounds was harvested. Bulgarian tobacco, like most of the tobacco grown in the Near Eastern countries, is of the cigarette type. The large reduction in Bulgarian acreage during the last 3 seasons, compared to the areas planted in 1924 and 1925, is noteworthy. (See table, page 2.) Nevertheless, the area devoted to the cultivation of tobacco is almost double that of the pre-war period 1909-13. Of late there seems to be developing a tendency for the tobacco industry, to concentrate in sections where natural conditions are most favorable to the growing of high quality tobacco. See table on page 3 of "Foreign News on Tobacco", November 3, 1927.

The Bulgarian producing centers were not affected much by the recent disastrous earthquake, which caused considerable damage to the warehouses in the principal marketing centers, according to a report of May 22 from Consul Samuel Green of Sofia. The tobacco placed in bond there did not suffer much but the work of handling was generally stopped throughout the country. It is thought, however, that production this season will follow its normal course, in spite of the earthquake. Nearly everywhere those new plants which were already set out were in good condition and appeared to have avoided damage from bad weather, especially from the frost so frequent during March and April, although the winter was particularly long and severe and the spring late. While this is a favorable factor for the new harvest, it is too early to make predictions as to the probable size of the crop.

Considerable quantities of Bulgarian tobacco are exported to various countries of central and western Europe, among which Germany and Czechoslovakia occupy the first rank as heavy consumers of this tobacco. Replacement of American tobaccos in the Belgian market by the cheaper Bulgarian tobacco, which was thrown in large quantities on the market during the month of March, was reported by Consul E. E. Silver, at Antwerp. A later report from Consul General G. S. Messersmith at Antwerp, dealing with the same market, stated that large lots of Bulgarian tobacco still remained unsold in April. For the latest report on the Bulgarian marketing situation, issued by the Foreign Service of the Bureau of Agricultural Economics, see "Foreign News on Tobacco", June 4, 1928, page 8.

BULGARIA: Tobacco area, production and exports, average 1909-13, annual 1924-1928

Year	Area	Production	Exports Calendar year
	1,000 acres	1,000 pounds	1,000 pounds
Average 1909-13 ..	a/ 36	a/ 23,435	37,808
1924	122	108,447	69,963
1925	127	88,115	74,179
1926	78	59,941	60,546
1927	63	34,820	59,392
1928 (Preliminary)	64	---	b/ 16,032

Official sources and International Institute of Agriculture, unless otherwise specified.
a/ Estimate for territory within present boundary. b/ First three months only. Provisional estimate reported by Acting Agricultural Commissioner L. V. Steere in Berlin.

The 1928 tobacco acreage of Czechoslovakia is reported by the International Institute of Agriculture at 15,000 acres, compared to 13,000 acres in 1927, from which area a crop of 15,653,000 pounds was gathered. The cultivation of tobacco in Czechoslovakia is controlled solely by the government Tobacco Monopoly. According to government regulations, tobacco may be grown only in the provinces of Slovakia and Russinia, in districts which have been specially designated, and by growers who are constantly subject to official control, reports Vice Consul Frank P.S. Glassey, at Prague. Cultivation of tobacco in other parts of the Republic, with the exception of experimental plantations in Bohemia and Moravia, is strictly prohibited. Seed for the cultivation is supplied the growers by the tobacco monopoly. The native tobacco is used principally for the manufacture of the cheaper varieties of cigarettes and cigars, and for blending with imported tobaccos in the manufacture of better grade products. The tobacco manufacturing industry, which is also supervised by the monopoly, depends for the greater part of its leaf requirements on importation from abroad. See table, page 3. The imported tobacco is drawn principally from Bulgaria, Greece and Turkey. Imports from the United States have so far been negligible in quantity.

CZECHOSLOVAKIA: Tobacco area, production and imports, average 1909-13, annual 1924-1928

Year	Area	Production	Imports Calendar year
	1,000 acres	1,000 pounds	1,000 pounds
Average 1909-13	a/ 8	a/ 9,467	-----
1924	10	12,720	40,687
1925	13	15,160	45,551
1926	14	14,532	41,497
1927	13	15,653	37,721
1928	15	---	b/ 9,736

Official sources and International Institute of Agriculture.
a/ Estimates for territory within present boundary.
b/ First three months only.

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FOREIGN NEWS ON TOBACCO

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CHINESE TOBACCO SITUATION

The tobacco trade in China is considerably restricted by transportation difficulties, but in general the cigarette business is probably in better condition and looks more promising than at any time during the past year and a half, according to a cable of July 9 to the Foreign Service of the Bureau of Agricultural Economics, from Agricultural Commissioner P. O. Nyhus at Shanghai. The bulk of the demand, however, appears to be concentrating on the cheaper brands owing to the higher taxes and advanced retail price now prevailing.

Improvement in transportation in the four heavy consuming provinces near Shanghai, led to the restoration of the cigarette business there to a fairly good volume. In accordance with the terms of an agreement concluded in the early part of 1928 between foreign tobacco companies at Shanghai and the Nanking Government, efforts have been made to collect a special tax of 20 per cent on imported cigarettes and 22-1/2 per cent on cigarettes manufactured in China in lieu of various dealers' and internal taxes. There are indications that as soon as the Nanking authorities are certain of financial control of North China ports, the same type of tax will be extended to North China. A fair business is being done at Hankow, but it is restricted by lack of transportation, advanced taxes, and disorders some distance from the city. There are practically no goods moving into certain provinces. At Dalfing, in Hankow Province, local retailers informed Mr. Nyhus that the bulk of the cigarettes consumed were hand rolled locally from native leaf, selling for 6 cents per fifty. In Manchuria tobacco business conditions are reported as good.

At present all foreign cigarette factories and large Chinese factories are operating, but at reduced capacity. The large number of native factories having only a few cigarette machines each have taken some of the business formerly done by the foreign companies. Consumption is reduced during the hot wet months of June, July and August and, since goods deteriorate during this period, factories, dealers and planters keep very low stocks.

Last year some 15 million pounds of flue-cured tobacco were harvested from American seed in the Shantung district. It is expected that the acreage which was planted this season will be somewhat larger, due to the good prices which the growers received for last year's tobacco. This tobacco is very similar to our flue-cured. In other flue-cured areas, neither foreigners nor Chinese companies have resumed activities. It is to be expected, however, that just as during the last season, some flue-cured leaf will come out of this district. The tobacco is expected to be of a very inferior quality, as it is necessary to distribute seed every year in order to maintain quality, and no seed has been distributed in these districts for several years.

Total American exports of leaf tobacco to China increased during the first five months of the current year by a little over 10,000,000 pounds, compared with the same period last year. See table below. This increase was due entirely to larger exports of the flue-cured, which more than compensated for the heavy decrease of Burley and the wiping out of exports of other types. The exports of flue-cured to Hongkong and Kwantung also increased during this period.

Exports of cigarettes to China have shown an increase from 2,281,000,000 pieces in 1927 to 3,102,000,000 in 1928.

LEAF TOBACCO AND CIGARETTES: United States exports to China, Hongkong and Kwantung, January - May, 1927 and 1928

Class	January - May 1927			January - May 1928		
	China	Hong-kong	Kwan-tung	China	Hong-kong	Kwan-tung
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Bright flue-cured	30,371,565		166,284	45,783,119	295,588	310,797
Burley	2,504,323			368,251		
Dark-fired Kentucky and Tennessee	572,350					
Dark Virginia	1,663,226			876		
Green River	1,024,900					
Other leaf	1,764			150		
Total leaf	36,138,128		166,284	46,152,396	295,588	310,797
Stems, trimmings, etc.	1,195,912		123,540	1,758,347		172,528
	Millions	Millions	Millions	Millions	Millions	Millions
Cigarettes	2,280,709	100	68,100	3,101,718	6,073	

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FOREIGN NEWS ON TOBACCO

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CIGARETTES FROM FLUE-CURED TOBACCO GAINING POPULARITY IN JAPAN

Cigarettes manufactured from both domestic and imported flue-cured leaf of American types are growing in popularity in Japan, states Agricultural Commissioner Paul O. Nyhus at Shanghai in a report to the Foreign Service of the Bureau of Agricultural Economics. Although the domestic production of flue cured is growing and forms at present the most important part of the total Japanese supply of this tobacco, imports from the United States also show an increase. The tendency of increased consumption of these cigarettes has been evident for some years, but the 1928 records of the Imperial Tobacco Monopoly of Japan show another material increase in the consumption of what it terms "American Yellow Leaf" cigarettes, made from flue-cured American leaf. For the year ending March 31, 1924, the consumption of this group of cigarettes was 4,875,000,000 and in 1928 it reached 9,184,000,000.

Among the "American Yellow Leaf" cigarettes the Golden Bat is by far the best seller. This is a cigarette put up in packages of 10 together with small mouthpieces enclosed separately, and selling for 7 sen per package or the equivalent in United States currency of 3.2 cents. Possibly forty per cent of the tobacco used in this cigarette is of low grade flue-cured tobacco imported from America and the balance made up of flue-cured leaf grown in Japan from American seed and of similar leaf from China. The consumption of the Golden Bat and of the entire group of "American Yellow Leaf" cigarettes over a period of years is included in the following table:

Consumption of "American Yellow Leaf" cigarettes in Japan

Year ending March 31	Golden Bat	Total "American Yellow Leaf"
	Thousands	Thousands
1924	3,599,000	4,875,000
1925	4,748,000	6,284,000
a/		
1927	6,497,000	8,371,000
1928	7,936,000	9,184,000

Source: Imperial Tobacco Monopoly.
a/ 1926 data unavailable.

Besides the Golden Bat there are four other varieties in this group of cigarettes that contain higher percentages of imported American leaf and which sell at somewhat higher prices. The Monopoly attributes the growing popularity of the Golden Bat cigarette to a changing taste of the Japanese and to the fact that the Golden Bat is somewhat more economical than the "Japan Proper" cigarettes. The latter are made from native air cured leaf and the tobacco is extremely dry and burns very rapidly compared to the flavored and moistened tobacco that makes up the "American Yellow Leaf" cigarettes. The Golden Bat is also slightly cheaper than the best seller in the "Japan Proper" cigarette group which sells for 8.2 cents per package of twenty.

"American Yellow Leaf" cigarettes are manufactured from a domestic production of flue-cured tobacco grown from American seed and from imported leaf. The flue-cured supplies for the past year were made up as follows, according to the statistics of the Monopoly:

Source of Supply	Pounds
Domestic Leaf grown from American seed	13,000,000
Imported from:	
United States	8,272,000
China	1,738,000
India	869,000
Total	23,879,000

The growing of flue-cured tobacco in Japan dates back to about 1900, but only recently has it reached any considerable proportion. Seed from the United States is distributed to growers every three years by the Monopoly as native seed stock deteriorates after a few years. Although approaching closely the American leaf in body and color, the Japanese flue cured is inferior in flavor. Differences in soil, and to some extent mild temperature and excessive rainfall, are said to be the causes of the inferior quality of Japanese leaf.

The Monopoly is making every effort to improve the quality of the domestic leaf grown from American seed and the acreage is being extended in keeping with the growing requirements of flue cured leaf. The 1928 acreage, the harvest of which has now begun in some sections, is 9,700 acres, compared to the 1927 acreage of 8,435. The yield prospects for this year are reported to be about average. In general, however, this is a poor season for tobacco in Japan, the 1928 total production having been forecast at only 82,674,000 pounds from an area of 88,000 acres, compared with 147,986,000 pounds from an area of 91,000 acres in 1927, according to the International Institute of Agriculture at Rome.

The administrative policy of the Monopoly is to use as little imported leaf as possible, but as the consumption of the Golden Bat and other "Yellow Leaf" cigarettes increases, there is a strong tendency to use more and more leaf imported from the United States. The purchases

of 8,272,000 pounds during the past fiscal year compares with 6,406,000 pounds for the previous year. The gains made by the "Golden Bat" last year have materially reduced the normal stocks of imported leaf, and for the coming season it is stated that purchases in the United States will be heavier than last season. American exports of flue-cured tobacco to Japan increased from 7,291,896 pounds during the first seven months of 1927 to 8,503,000 during the same period of the present year. See table below.

An increase in the consumption of "Japan Proper" cigarettes from 18 billion in 1927 to 19 billion in 1928 is also indicated by the statistics of the Monopoly, but this consumption is below the levels established in 1923-25 of about 22 billion. Statistics over a number of years indicate that very fine cut tobacco for the small native Japanese pipe is decreasing slightly in consumption but the 1928 figures indicate practically the same consumption as in 1927 or 53,000,000 pounds. The significant change, accordingly, that is taking place in tobacco consumption in Japan is an increase in cigarettes of the "American Yellow Leaf" group. For a more detailed account of the Japanese tobacco industry, see Foreign Service release T-42, "Tobacco Production and Trade of Japan".

TOBACCO LEAF: Exports from the United States to Japan, 1924-1927 and 7 months 1927 and 1928

Period	Flue cured	Total, all types
	Pounds	Pounds
Year ended December 31 -		
1924	11,208,064	11,920,851
1925	7,741,105	7,792,786
1926	7,187,860	7,233,285
1927	9,990,994	9,999,824
Seven months ended:		
July, 1927	7,291,896	7,300,656
July, 1928	8,503,000	8,503,415

Source: Commerce and Navigation of the United States, and official records of the Department of Commerce.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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October 13, 1928

FOREIGN NEWS ON TOBACCO

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DAMAGE TO PORTO RICAN TOBACCO INDUSTRY FROM HURRICANE

The greatest damage caused by the hurricane of September 13 to the tobacco industry of Porto Rico consisted in the loss of practically all the tobacco-curing barns in the tobacco districts of the Island, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Mr. I. L. Torres, assistant agricultural director in the Porto Rican Department of Agriculture. Few of the barns were insured. Comparatively small damage was done to seed beds and the tobacco lands. It is estimated that 4,000,000 pounds of tobacco were destroyed by the hurricane and a fire which occurred a short time after. It is thought that the present crop will probably be 50 per cent below normal, unless special assistance is given to the farmers to reconstruct the destroyed curing barns. Production in 1927-28 is estimated at about 20,000,000 pounds from an area of 40,310 acres, compared with 46,664,000 pounds from an area of 85,000 acres in 1926-27.

Fortunately, owing to the fact that the storm came early in the season, comparatively small damage was done to the tobacco seed beds. Probably not over 25 per cent of the seed beds had been sown. The greatest damage occurred to the seed beds made under cloth, the cloth becoming a complete loss. All the seed which had sprouted were killed, making it necessary to resow all the beds which had been sown before the storm. In the principal tobacco districts the work of repairing and resowing the seed beds began immediately after the storm. The planting of tobacco will begin about a month later than in normal years on account of the loss of the early sowings of seed. Very little planting will be done before the latter part of November. Many farmers will not be able to begin planting before December.

Very little of last year's crop remained in the hands of the farmers. Most of it had been delivered to the speculators, dealers and manufacturers. Probably not over 500,000 pounds of tobacco held by the farmers themselves were damaged by the hurricane. It has been estimated that approximately 2,000,000 pounds in the hands of the speculators, dealers and manufacturers were destroyed. In addition to the tobacco destroyed by the hurricane, about 1,400,000 pounds of good tobacco were destroyed by fire a short time after.

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November 15, 1928

FOREIGN NEWS ON TOBACCO

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CHINESE TOBACCO SITUATION SHOWS MARKED IMPROVEMENT

Exports of American leaf tobacco to China have more than doubled during the first nine months of the current year, compared with the same period last year, and constituted in fact, a record figure for a similar period, according to a report released by the Foreign Service of the Bureau of Agricultural Economics. During the first nine months of the present year the exports of tobacco to China amounted to about 82,000,000 pounds, over 99 per cent of which was of the flue-cured type, compared with the total exports of 40,000,000 pounds during the same period last year, of which 86 per cent was flue-cured. Chinese takings of flue-cured tobacco during the first nine months of this year exceeded those of the United Kingdom, which is usually the largest customer for this type. It is also noteworthy that the exports of cigarettes to China have shown an increase from 3,425,000,000 pieces during January-September, 1927 to 5,966,000,000 pieces during the current year. See table on next page.

All tobacco factories in China, with the exception of one in Hankow, are in full operation, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from American Agricultural Commissioner Paul O. Nyhus at Shanghai. American leaf importers who supply 100 to 200 Chinese cigarette makers anticipate a good leaf market.

The volume of cigarette sales in the heavy consuming territory of the Yangtze valley is at present considered fair to good, and in some localities sales are as large as they have ever been. There is not enough security in many interior points to maintain large stocks, but in general conditions are considerably improved. In most of this region taxes are confined to the 22½ per cent Nanking tax which is proving very satisfactory. Honan province, however, where taxation is prohibitive, constitutes an exception. Transportation in the Yangtze area depends mostly upon canal and river boats, with which little difficulty is experienced as compared to the rail transportation in North China. See Foreign Service release, F.S./T-49, July 16, 1928.

The production of flue-cured tobacco from American seed in the province of Shantung, the most important producing section for this type, has doubled compared with last season, according to trade sources.

This year's crop is placed at 25,000,000 to 30,000,000 pounds compared with 13,000,000 pounds produced on a small acreage last season. The quality of Shantung tobacco is considered somewhat above average. Foreign and Chinese tobacco companies, together with the tobacco monopoly of Japan, are active buyers and prices are comparatively high. Growers are now delivering their leaf to drying plants and dealers. It is not felt that the increased Shantung crop will have an important effect on the demand for American leaf, states Mr. Nyhus. About 14,000,000 pounds of flue-cured leaf were produced in the provinces of Honan and Anhwei, which is about the same quantity as last season. This tobacco, however, is of inferior quality and is not in demand by the cigarette manufacturers in Shanghai.

LEAF TOBACCO AND CIGARETTES: United States exports to China, Hongkong and Kwantung, January-September, 1927 and 1928

Class	January-September, 1927			January-September, 1928		
	China	Hong-kong	Kwan-tung	China	Hong-kong	Kwan-tung
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Bright flue-cured	33,711,997	190,933	214,469	80,508,614	625,415	492,230
Burley	2,504,523	---	---	368,251	---	---
Dark-fired Kentucky and Tennessee	572,350	---	---	34,045	---	---
Dark Virginia	1,663,226	---	---	104,455	---	---
Green River	1,024,900	---	---	214,090	---	---
Other leaf	1,834	---	---	150	---	---
Total leaf	39,478,630	190,933	214,469	81,229,605	625,415	492,230
Stems, trimmings, etc.	1,748,850	---	216,644	2,819,136	---	172,528
	Millions	Millions	Millions	Millions	Millions	Millions
Cigarettes	3,425	a/	124	5,958	8	---

Source: Monthly Summary of Foreign Commerce.
a/ Less than 500,000 pounds.

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FOREIGN NEWS ON TOBACCO

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CHANGE IN IMPORT DUTIES ON LEAF TOBACCO AND CIGARETTES IN CHINA

A new import duty on leaf tobacco and cigarettes, equal in amount and replacing the various special taxes imposed at present, was announced by the Nationalist Government to come into effect on February 1, 1929, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from American Agricultural Commissioner P. O. Nyhus at Shanghai. Leaf tobacco valued at over 60 Haikwan taels per picul (31.95 cents per pound at the rate of exchange of one Haikwan tael = 71 American cents) carries a duty of 8 Haikwan taels per picul (4.26 cents per pound), and leaf valued at 60 Haikwan taels and under is dutiable at 3 Haikwan taels per picul (1.61 cents per pound). The new rates, although double the statutory rates of 1922, are equivalent to the latter plus the surtax and luxury tax, collected at present, which under the new system will all be united into one tax. Thus the amount which the importers will be called upon to pay under the new tariff will be identical to the total tax they are paying now under three different names. The new tariff on cigarettes varies with the classification based upon values, but is equivalent to 7½ per cent ad valorem and is 50 per cent higher than the current statutory duty. It is, however, identical with the combined statutory and surtax duties being paid at present.

The internal excise cigarette tax was increased to 32½ per cent on December 1, in the 6 provinces under the control of the Nanking Government. It amounted formerly to 20 per cent on imported cigarettes and 22½ per cent on cigarettes made in China.

No particular encouragement is given to tobacco growing in China by the low duty on leaf. The measure may in this respect be considered favorable to American tobacco growers. The trade looks with disfavor, however, upon the recently increased excise tax on cigarettes, fearing the possible injurious effect on consumption. No material protection or advantage is given by the new measure to the products manufactured in China and it is accordingly a disappointment to Chinese manufacturers and independent leaf dealers who supply them with American leaf.

Factory operations are at a high level and cigarette business continues good in the Yangtze Valley, states Mr. Nyhus.

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